Category Reviews as Market-Shaping Events

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Abstract

This paper examines annual category review meetings between manufacturers of fast-moving consumer goods and retailers as an instance of market-making. Our empirical material focuses on the presentations of manufacturers of non-alcoholic beverages to one proximity retailer, and we examine in detail their rhetoric and proposals to the retailer. Each presentation draws on a different set of arguments, data and metrics, as well as conventional ways of defining and segmenting the market to propose strategies that either reinforce the status quo or overturn well-established conventions.

Introduction

Recent work in economic sociology has addressed the issue of how markets are performed and shaped by calculative agencies. Callon (1998) discusses the way an agent is able to calculate a decision: he must at least be able to draw up a list of actions that he can undertake, and describe the effects of these actions on the world in which he is situated. This agent is active within a calculative agency which is shaped by economic theories broadly understood. Helgesson and Kjellberg (2005) take this idea further and focus on the notion that business practices are always multiplex and to some extent, incoherent. Ideas and reality are still linked in concrete ways, but different versions of the same objects can be enacted through different practices (Mol, 2002). Miller and Rose (1990) and Carruthers and Espeland (1991) drew our attention to the fact that the rhetorical aspects of management technologies need to be combined with the material reality of calculation, involving figures, writing media and inscriptions. These material elements are decisive in performing calculative agents – i.e. agents cannot start calculating when there are no institutional guidelines which are sufficiently stable and legitimate to allow for shared expectations and to make an unknown future manageable.

Callon and Muniesa (2005) describe markets as complex calculative devices for the evaluation of goods. Callon et al (2002) make a distinction between products, services and goods. A good implies a stabilisation of characteristics at the moment an entity, product or service, is ready to be traded. A product is an economic good that can be seen from a variety of perspectives: production, circulation and use. Thus a product corresponds to a process, a trajectory in time, whereas a good corresponds to a state at a point in time. Defining a good means positioning it in a relational space where differences and similarities with other goods can be ascertained (Callon et al, 2002).

The qualification of goods is at the heart of market processes. Markets are continuously being made and remade as a result of the processes of distinction or singularisation of goods as well as the construction of spaces of similarity where goods can be compared. Marketing agents are deeply involved in these processes of qualification and requalification. Existing market structures and qualification processes serve both as a constraint and as resource for new attempts at requalification and restructuring of markets (Callon et al 2002, p. 201).

The process of requalification involves both work on the intrinsic qualities of the product (e.g. altering its composition or formulation), changing the packaging or labelling of the product, its place on the shelves or, as we will demonstrate in this paper, the category with which it is associated. This work of qualification and requalification involves a variety of marketing professionals with varied expertise who are institutionally and spatially distributed but nevertheless need to coordinate their actions (Araujo, 2004).

Consumers are caught in this dynamic and continuous process of qualification and requalification, either sticking to existing routines and attachments or engaging with the efforts at requalification (Callon et al, 2002). Attached consumers accept the *status quo* and are driven by their routine choices supported by the existing apparatus of qualification (e.g. category definitions as embodied in shelf positioning), whereas consumers ensnared by the process of requalification are willing to re-evaluate their routines, the qualities of products as well as the systems of classifications of goods.

According to Callon and Muniesa (2005, p. 1245), because of its obsession with singularisation, mass retail provides a primary site to study the collective work undertaken by marketing professionals. Latour (2005, pp. 209-210) describes this scene and the way it is configured in vivid tones:

> "A supermarket […] has preformatted you to be a consumer, but only a generic one. To transform yourself into an active and understanding consumer, you also need to be equipped with an ability to *calculate* and *choose*. […] Even when one has to make the mundane decision about which kind of slice of ham to choose, you benefit from dozens of measurement instruments that equip you to become a consumer – from labels, trademarks, barcodes, weights and measurement chains, indexes, prices, consumer journals, conversations with fellow shoppers, advertisements and so on. The crucial point is that you are sustaining this mental and cognitive competence as long as you *subscribe* to this equipment. You don't carry it with you: it is now your own property."

Barrey et al (2000) describe the supermarket as a place where supply meets demand, a theatre where a play is enacted and choreographed according to the backstage work of number of marketing professionals. During this interactive performance, the actors are objects whose mission is to enrol an audience into becoming a buyer and consumer of the items on display.

The play described by Barrey et al considers three different stages. The broader stage is the set made up of gondolas, banners and shelves. The second stage is the packaging dressing up products, displaying logos, other visuals and printed information. The third stage is the product itself, its intended uses and relationship with consumer practices.

To put on this play, a series of market professionals have to coordinate their action back stage. The designer is in charge of the aesthetic aspects of the product which will create an interface between the object and the subject, between production, purchase and usage. The packager will project values and characteristics on to the product itself. The pack is seen as a screen whose role is both to protect but also to expose the product. The merchandiser is the expert at product staging. The art of merchandising is the art of displaying the products in a logical, clear, and visible fashion.

These back stage players organize the way consumers and products get together, and thus, contribute to performing the market. In their conclusion, Barrey et al note that more invisible middlemen are needed to choreograph the scenes that will take place on the supermarket stage. They invite scholars to research the ways these market professionals "manipulate" (from the Latin *manipulare*: to manage) and are "manipulated" when they are engaged in the management of markets.

The intention of this paper is to examine another set of practices backstage, the one where retailers and suppliers meet to define the script of the play that is going to take place in the supermarket theatre. In this upstream play, key account managers from manufacturers are trying to convince retail category managers of ways to make the non-alcoholic beverages (NAB) market more attractive to consumers. This interaction introduces an important element in market-making and in the qualification and requalification of goods. The definition of what belongs or doesn't belong to a category and the relative positioning of different types of goods within a category sets the stage for the qualification and requalification efforts by alliances between manufacturers and retailers.

The performance at these meetings can be broken down into three acts, reflecting the three formal phases of yearly negotiations. The first one defines who the players are, what is their history and what is their vision of the future. The second act defines what resources will be invested to convince the audience to attend the play and enact their role in this interactive performance. The last act is the one that takes place in the supermarket theatre, as described by Barrey et al, where consumers can subscribe to the script prepared for them.

This paper focuses on the first act, the one where the players establish the frame of the script. It is structured into two parts. In the first part, we are trying to describe the moment when suppliers meet their clients to present their vision of the current business and their future plans. In the second part, we discuss the empirical material to delve into the processes of

market making. We conclude with reflections on how marketing practices are configured through complex negotiations between multiple actors.

The play: the Non-Alcoholic Beverages (NAB) Market

How was the play written?

Once or twice in a year, fast moving consumer goods (fmcg) suppliers meet their clients, the retailers to share with them their perceptions of the business. The "category review" is a unique opportunity for both parties to share their vision of the market, to establish a road map and an itinerary for the two business partners to travel together. In these meetings, everyone agrees the story that should unfold within the NAB market. In these meetings, key account managers from the supplier side make PowerPoint presentations to category managers from the retailer side in a meeting room. The agenda of these slide-shows follows the usual structure: what was the background for last year's performance? What market trends does the supplier see? What are the marketing activities planned for the forthcoming year? And lastly, what are the resources that will be deployed to support next year's plan?

We will focus our attention on the three first questions because this is the section where we can identify the logic that the supplier is trying to establish. The data presented here is based on a corpus of PowerPoint slides which have been presented to a French proximity retailer during the same week of November 2004 as well as participant-observations made by the first author. The discourse of Coca Cola, Fralib (Unilever), Cadbury-Schweppes, Karlsbraü Dark Dog, Sunny Delight, Nestlé Waters and Danone Waters, are analysed in the following section. Only those manufacturers that spoke directly to the category managers of the retailer have been kept in our corpus. Those manufacturers, like PepsiCo, who addressed this retailer either through another beverage maker or through a wholesaler, have not been included in this research. No confidential data is included in this paper. All the products mentioned here have been launched; market views and panel data have been published in professional magazines or on Internet sites.

In the following subsections we will focus on the arguments and rationale of each of the suppliers involved in category reviews with our focal retailer.

Coca Cola

The presentation starts with a review of the key background elements with a strong emphasis on the bad Summer and the number of days with a maximum temperature above 25°C. As a

result, all the Non Alcoholic Beverage (NAB) segments are declining. Soft drinks shrank by 7.4% in turnover, juices by 3.8%, and water by 8.2%. Bottled water is the least performing segment. The weather effect together with the price inflation affected consumption and particularly holiday spending, which include out of home consumption. When compared with the other fmcg categories, it appears that the soft drinks are doing well in turnover terms together with juices whereas other beverages are in sharp decline.

On a segment that has grown by 34%, Coca Cola, has grown by 47.2% in turnover between 1997 and 2004 and accounts for 71% of the category growth. The analysis continues, now excluding water, in a precise review of the sodas, sparkling fruit beverages, teas, tonics, lemonades, limes, sport and energy drinks. It appears that the colas have a favourable evolution when all others are declining. Coca Cola appears as the most dynamic player together with the Unilever subsidiary, Fralib. Cadbury-Schweppes, PepsiCo and the private labels are in decline.

The light segment is then presented as very dynamic throughout Europe. It accounts for 1/3 of the category growth and Coca Cola is capturing 2/3 of it. The forthcoming year is presented as the year where growth will return. The action plan will propose answers to the key issues raised during the background presentation. The consumer is pictured as a pessimist, worried by unemployment, terrorism, a poor environment, the war in Iraq, etc. Consumer reactions are structured around a number of factors: a retreat to oneself and the group, the wish to escape from harsh realities, and the desire to get back to life essentials. These factors fit in with the reassurance provided by nice, healthy products. Low fat products are part of the answer and the quest to be a social responsible actor can be provided by Max Havelaar products. The food industry is blamed for its contribution to the growing obesity in society.

Coca Cola wants to be seen a responsible corporate actor. It offers a wide choice of products to consumers such as colas, sodas, teas, fruit juices and light products. It provides clear information about nutrition in its product labels (e.g. energy, proteins, carbohydrates, fat). It promotes responsible marketing by not addressing children younger than twelve. It encourages an active way of life with heavy sponsorship of sports federations both at regional and national levels.

A brand review is then proposed to explain how each of them will contribute to category growth. With respect to the light category, the cola offer is positioned as light and intense. An icon on the label pictures a glass with the inscription “No Sugar, less than 1 Kcal per serving”. A very strong media plan supports the activities which will be developed based on

the platform “Enjoy Light”. In the fruit segment, Fanta Free is targeting teenagers, and a Sprite Free is launched. Minute Maid, is positioned as a breakfast fresh fruit beverage with low calorie content (<20 Kcal). Powerade is a recharger, rehydration beverage for endurance. It may be rich in sugar, this is a benefit for the sport amateurs and athletes. Burn, the energy drink, doesn’t make any specific mention of sugar in its communication.

Karlsbraü / Dark Dog

The speaker starts his presentation with an explanation about the origin and the content of the energy drinks. Created in Asia, but made popular in Europe by an Austrian company, energy drinks are functional drinks whose characteristic is to foster “physical and intellectual activity”. The presence of fast and slow sugars act like a fuel for the body. The strong presence of *guaraná* and caffeine stimulate the heart very effectively. Because taurine, a common ingredient in high-caffeine energy drinks, is forbidden but also because caffeine content is limited in the French market, Red Bull was unable to launch its products in the early 1990s. Only recently, Karlsbraü France, the beer manufacturer, decided to launch an energy drink that conforms to the specificities of French legislation on the subject.

Dark Dog is now leading the energy drink market. This beverage targets young adults, among which, a large cohort of clubbers who consume their energy drinks with alcohol. The success of Dark Dog has immediately attracted other players to launch their brands: Burn from Coca-Cola, X from Pepsi, etc. Following this introduction, the speaker continues his argument with an overview of all the events Dark Dog is creating to stimulate demand: night club demos, sport events, sponsoring. The recommendation of the producer is to list his products and display them next to Coca Cola which has proven to be the place to generate the best sales rotation. Apart from distribution graphs and weekly average sales per distribution channel, no extra figures are mobilised, no extra argument supplied. Regarding the next steps, Karlsbraü presents its innovations in the alcoholic segments, “Esprit” .

Fralib / Lipton

As most other presentations, Lipton starts its discourse with a reference to the weather. The summer has been wet. A weather index stresses 88.8 in July 2004 as opposed to 131.8 in 2003. This seems to indicate that bad weather may explain the poor sales for the soft drink category: a 2 % drop in value. Among the soft drink segments, teas are doing pretty well - a lesser growth than the colas and sparkling fruit beverages but a much better one than the still fruit, the lime and [illegible]ps or tonic. Considering all segments together, Lipton is the second best

performing brand far behind Coca Cola, but leading the group of challenging brands, namely Orangina, Oasis, Fanta, Pepsi, etc. Lipton is called the first challenger. It is the leader of a segment called chilled teas. The background presentation is short, based primarily on panel figures.

The second part of the presentation focuses on the brands strategy (Lipton Ice Tea and Lipton Aquae) which both stress the obesity concern and the expectation towards healthy natural products. Tea is presented as such a product. It is authentic, it is flavoured with fruits and the light range contains 20% less sugar than the average of soft drinks. It contains no colorant and no preservatives. The first brand, Lipton Ice Tea, is structured around two poles: the indulgence range with fruity flavours (peach, mango, lemon and raspberry) and the well-being range with a natural green tea and light products. Lipton team presents a new opportunity on the market, the vitality segment which would belong to the well-being pole. This latter segment is based on a product which is a red tea enriched with *guaraná* and spices. The second brand, Lipton Aquae, is positioned as flavoured water. In the presentation of the Nielsen figures, Aquae is qualified as a "functional" flavoured water, which means that the beverage generates a health benefit. Because of their specific balance in minerals, these waters help consumers stay slim or fit. Taillefine, Contrex and Aquae belong to this small sub-segment. Aquae plays on the obesity concern and reminds consumers that flavoured waters usually contain added sugar. Though it is sweet, Aquae only contains the sugar from fruit juice. One litre of this water has the same sweetness as one apple, says the advertising. The benefit "No added Sugar" is strongly stressed on the packaging. In sum, Aquae is the ideal beverage. It promises balance, vitality and new benefits should be launched in the near future. As is customary practice in this market, Lipton is announcing a heavy media and promotional campaign to boost sales.

Orangina Schweppes (OS)

The market trends are as presented by all other players: the past summer was terrible. But this fact is backed with a novel one to explain why the market is declining: the hard discounters are becoming stronger and are pulling the market towards less added value products. Despite very successful innovations coming from all the market contributors, the decline of the standard brands and stock keeping units (SKUs) could not be compensated for. The analysis is done for the soft drinks, the ambient juices and the waters. The light market deserves special focus. It is not presented as a sub-segment (colas, fruits, lemonades, etc.) but rather as

a market that deserves attention per se. The penetration rate of the category is moving from 35.9% in 2002 to 41.5% in 2003. Surprisingly, the total light market doesn't include the flavoured waters, although a transversal analysis is proposed. Only four operators are included in the analysis: Coca Cola, Fralib (Unilever), Pepsi Co and Orangina Schweppes. OS is presented as the leader of the non-cola soft drinks, it is a leader in the diet market, though the distributors own brands are growing very fast. The good performance of OS is explained with the strength of the innovation and the quality of the advertising support. Millward Brown Link test results are used to support this claim. Awareness and persuasion indices are mentioned and the results claimed to outperform the industry norm.

When it comes to proposals, OS poses that the current segmentation is too technical. Consumers do not understand technologies, they do not buy a "non sparkling fruit beverage" "a concentrate based fruit juice" or a "fizzy flavoured water". This segmentation, the manufacturer argues, doesn't reflect how consumers choose and buy their products. Therefore, further research needs to be carried out if we want to better understand how consumers really behave at the moment of purchase. The research, it is said, will help to identify potential uncovered needs, category growth areas and, finally, optimise the mix of a producer. The research should cover the chilled non-alcoholic beverages which is the boundary that apparently makes sense to consumers. The mineral waters, however, should not be included.

The resulting segmentation suggests six clusters names as follow: Fizzy Flavoured Beverages Light, Fizzy Beverages / Fun Indulgence, Still beverages / Fun Indulgence, Still Beverages / Healthy Indulgence, Natural Fruit Juices, and Flavoured Waters. The weight of the different clusters is measured and flavoured waters appear to be insignificant. With this new segmentation, OS appears to be covering 95 % of the universe, to be leader of two segments, number two on two others, and challenger on the last two. The brand portfolio is nicely spread across the different segments and each brand is an essential part of each cluster. The action plan that follows uses this structure extensively and proposes to the retail chain that merchandising policies should make use of this new logic which is more meaningful to consumers.

The Sunny Delight Beverage Company

The company which used to belong to Procter & Gamble is now part of the portfolio of a private equity firm, J.W. Childs Associates. Here again, the market is described as declining.

The justification for this decline is based on the poor weather argument but also, the lack of innovation in the fruit-based chilled beverages. Another argument is advanced: the competition in the non-chilled beverages - e.g. the flavoured waters and the tea based beverages. Sunny Delight is an important player in its segment, behind Tropicana, but ahead of Danao. In order to compete more effectively, Sunny Delight analyses its relaunch. With a better recipe, the fruit juice content is increased from 5% to 11% which according to the legislation, allows a vitamin C nutritional claim. The relaunch also includes additional SKUs to the standard one: one with no added sugar to address the obesity concern, and one with seasonal fruit variants to ensure taste diversity. On the packaging, the presentation argues, one can see an icon with a glass of Sunny Delight and the mention "Source of Vitamin C", "One glass of 20cl of Sunny Delight covers 30% of your child needs in Vitamin C". The justification for this re-positioning is presented on a mapping where the health benefit is on the horizontal axis and the "Cool" benefit on the vertical axis. When the juices, Danao, and the flavoured waters are in the "healthy / non-Cool" south-east quadrant, the sodas, Orangina and Sunny Delight belong to the "cool / non-healthy" north-west quadrant. The intention of the repositioning is to move towards the "cool / healthy" north-east quadrant. The objective is to become segment leader within three years. In conclusion, success is promised because of superior product positioning, innovations, and the high on-shelf impact of the packaging. Media as well as promotional support are presented as the means to help retailers benefit from this repositioning of the brand.

Nestlé Waters France

The presentation starts with a reminder of Nestlé brands including beverages. It continues with a synthesis of key market trends. In the context of a bad summer, the results give tendencies in volume and value as well as the evolution per segment: still water, plain and flavoured, sparkling water, plain and flavoured. The flavoured waters are the most dynamic segment with a trend of +1.9% on a declining (– 8.2%) total market. Because of this positive trend, the focus is on flavoured waters. The trend is explained with an offer at the intersection of two essential needs: the sodas and juices which reflect indulgence and fun but are not healthy, and the still waters which are thirst quenching and healthy but dull. The flavoured waters are positioned as more fun than water, healthier than sodas. Nestlé recognizes that the flavoured waters are getting closer to the sodas and soft drinks. They now form a full segment and are no more a sub-segment of the still and sparkling waters.

The drivers for growth are reviewed with a logic which starts with the assortment, advertising support and innovations. The key performance indicators are the number of SKUs, the turnover per SKU, the share of assortment, the share of shelf and the ranking of the SKUs. The implicit logic is that all the SKUs of a brand should be top sellers, delivering a high turnover per unit and per allocated area. The usual logic is that one new SKU in, should generate one SKU out, within any one segment. These measures help to compare Nestlé brands with other water brands, but also with sodas, fruit beverages and colas. One suspects that the target of this line of argument is the fruit juice segment which performs less well than flavoured waters.

Regarding the action plan for the forthcoming year, Nestlé proposes a range of innovation to intensify the dynamics of the flavoured waters segment. The key arguments are based on the global health concern in a context of concerns over obesity: soft drinks are strongly criticized by the medical profession which recommends a much lower intake of sugar calories both for children and adults. Perrier Fluo is the answer for adults, Vittel strawberry, peach and apple, for the family, and Vitalos is the proposal for kids. A new measure is proposed, a scale of sugar content. It doesn't come as a surprise to see flavoured waters appear as the best performing items on this scale, especially against the colas, the sodas and the fruit beverages.
The sugar content is measured in grams per litre, the presence of preservatives is identified and the sweetener, if present, is named. All in all, more chances should be given to flavoured waters because they now offer more fun and indulgence than still water and are much healthier than sodas or colas. This is the "0% sugar, 100% fun" base line. It follows from this demonstration that SKU's from the colas and sodas segments should be withdrawn if the retailer wants to align itself with market logic. These items should be replaced with flavoured waters, and preferably with the one from the world leader, Nestlé. Because these products are strongly supported with all kinds of effective advertising and promotional activities, retailers can only benefit if they align themselves with Nestlé's vision.

Danone Waters France

This presentation starts with an overview of the environmental factors that have affected the market in the past year. A climate of crisis is described, based on research contained in the report Trend Observer from Ipsos. The bad weather is just one of the many factors that accounts for the poor business trends. Bird flu, the Iraqi war, the poor economic climate in

Europe, the focus on the dangers of over consumption of alcohol and tobacco, concerns with obesity, etc, are trends that impact consumption negatively. In this context, water is a product category that is based on traditional values: it is a safe product, it is a product category where no problems are expected. The message is a reassuring one. The good performance of the main SKUs on the mineral water market thus comes as no surprise. The flavoured waters prop up a particularly dynamic segment. The good performance of the range is described with panel figures and particularly, weekly sales rotation. One can see immediately what SKUs should be eliminated from the retailer's range. A financial argument is eventually stressed: focus your resources (shelf space and promotional support) on those products that perform best, and your return on assets will improve dramatically. The assortment recommendation is supported with software that compares the performance of the various types of store. The outstanding shops are those that have optimized their assortment. A simulation tool is based on this database and can calculate what the turnover the margin and the return, would have been, had the retailer implemented the recommended action plan. The programme of sales promotions is presented at the very end of the presentation.

Discussion

Before the consumer can choose products in the supermarket shelves, competing visions of the world are battling for the attention and support of the retailers. In this section we discuss the manufacturers' discourses on the structure of markets and analyse the consequences for the understanding of how marketing practices contribute to market-making.

Who are the players and how are they expected to play?

The existence of a meeting where category managers meet key account managers for a category review contains a number of implicit elements. The very functions "Category Manager and "Key Account Manager" implies the existence of such things like "product categories" and "sales accounts" according to various criteria. The existence of these professionals demonstrates how managerial discourses are put into practice.

The event labelled "category review" calls for a structured interaction where players know what they have to do. They understand and accept a method which suggests that the relationship between business partners should be structured in three acts: one which consists of the review of the categories, one which will define the assortment, the margin and the

prices and eventually an operational act where the teams will implement what has been agreed.

The assumption of using category management as the thread of the negotiation is not straightforward. One can imagine a controversy could take place here. If the retailer is powerful and has a very clear specification of its range structure, as it is the case for the large retailing companies, it could request the best quote for x pallets of a given drink in trays of 24 x 33cl cans. Conversely, if manufacturers are strong, they may only accept to negotiate on the basis of their brand plans, and be unwilling to open a discussion at the category level.

As the meeting is called "category" review, everyone knows that what is expected is a presentation of category facts and trends which assumes a clear and shared definition of what a category is, and what should be included in a particular category. It also suggests that each player should analyse a broad set of offerings.

The presentations of the manufacturers were structured in a very similar way, though no explicit brief was supplied to them by the retailer. The introduction showed that business results were poor because of environmental factors. It follows a description of a competitive battlefield and the trends that affect players on each segment. A proposal is then formulated promising better results next year.

Which factors justify performance?

All the speakers, with the exception of Dark Dog, start their presentation with the identification of obstacles in the quest for profitable growth. As the Summer of 2004 was disappointing, the speakers needed to identify what are the factors that accounted for such a poor outcome.

The weather was named by everyone as the chief culprit. As Coca Cola remarked, they were very few days with a temperature above 25°C. It seems that this fact was well accepted. Above 25°C, consumers drink a lot more. For Lipton, the norm is measured differently, though the role of the metric is the same. The weather index was 88.8 for 2004, meaning the weather was not hot enough to see consumption rocket.

OS identifies another opponent: the hard discounters who push the market towards low added value products. Danone enrols the Trend Observer from Ipsos to explain the crisis which is not just confined to the beverage market. The war in Iraq, the economic crisis and the lack of consumer confidence in Europe are broad factors affecting consumption. But one should also consider the concerns consumers may have regarding food safety and health issues, such as obesity. This last argument suggests that the food and beverage manufacturers are not just

passive victims of environmental threats. They are also responsible for this business situation. The players who have been seen to contribute to obesity can now position themselves as opponents to these growing trends.

The speakers continued their presentations with a market analysis which identifies the segments, their weight, likely evolution and the relative importance of the various brands that come into play. This exercise in representation is trying to picture the "battlefield" and the positions of the players. We can describe this first phase of the presentation as a framing initiative. To locate brands in segments, speakers choose a variety of angles and zoom lenses to home in on their preferred market definitions.

Reinforcing the existing market frame

Coca Cola invites us to consider all the fmcg food and beverage categories to stress the positive evolution of the soft drinks market. This picture is both very broad - comparing beverages to food - and very narrow – the soft drink market is only a sub-set of NABs. The framing process, is an operation of inclusion: the colas can now be compared, for example, to the other fruit fizzy drinks. It is also a process of exclusion: the waters are eliminated both by way of negative trends – they are said to be growing very poorly - and of framing. Waters are defined as outside the market boundary. Coca Cola defines what matters, what is meaningful to them and what reinforces the existing *status quo.*

Sunny Delight is a fruit based, chilled beverage. This product, created a few years ago together with Danao, a hybrid category in which products needs to be chilled as opposed to ambient juices. Regarding the segmentation, Sunny Delight is not creating any new representation. Playing with the existing structure, it reinforces the conventional segmentation. It introduces however a distinction based on product benefits: some beverages are fun (the colas, the fruity soft drinks), others are healthy (mineral waters, pure fruit juices). Such a description of the market is an attempt to propose a new classification. The market map proposed by Sunny Delight indicates that many players are trying to conquer the fun and healthy quadrant.

Though rejected by Coca Cola, Nestlé is an ally to the major soft drink players: it respects, and therefore reinforces, the conventional *status quo*. Soft drinks and waters are two different things, they both deserve their separate existence. Nestlé doesn't see a major issue, at this level of categorisation. The water company, as we will see later, will engage in the

confrontation, in a different way. Fralib / Lipton, has a very similar attitude. It respects the existing structure because it creates a strong legitimacy for both its brands, Lipton Ice Tea in the tea section and Aquae in the flavoured waters.

Karslbraü / Dark Dog is an outsider that apparently respects no established categories. Irreverence seems to be its motto. It recreated the energy drink segment, a few years after Red Bull had failed to enter the market for legal reasons. Regarding the structure of the battlefield, Dark Dog doesn't wish to create a revolution. It is just adding one extra segment, refraining from asserting that the existing structure is not right. It is only disturbing the game by entering the marketing. One additional brand in the chiller is at worst marginal and mildly annoying to the competition. Later, the segment could grow and become an opportunity as energy drinks are not seen as substitutes for other NABs.

The conventional outline of the market, once established, allows all sorts of calculations. The measurement of the volumes and value, of the growth, of the market shares and therefore of leadership. Because of repetition, the measurement of all kinds of indicators becomes a reference. And because there is an agreement on the way to measure, professional specialised calculative agencies, such as panel institutes, can perform more sophisticated representations which allow an even deeper analysis of performance. As the vision of the market is shared, collecting market metrics becomes economically viable. It can be sold to many players, thus creating a second level market for collecting and disseminating information. The expertise developed, justifies the existence of specialised agents, both on the manufacturers' (category managers, brand managers) as well as the retailer side (category managers). These new forms of expertise create new spaces for employment and professional trajectories. The classification of the products will be embodied in article numbers, and in the information systems of both the suppliers and the retailer, opening an avenue of business opportunities for standard setters and technology suppliers. The NAB market is now materialized, in discourse, in paper-based and electronic representations, in product assortments, supermarket layouts and shelves. The panels consolidate this structure to the extend that market definitions based on this data can be used in court (e.g. in the judgment of merger or acquisition cases and their impact on competition). Because of the strength of this convention, we now have a market with well-defined, intelligible structures. It is this stability and these intelligible structures that paradoxically offer the possibility for transformation, for planning and acting out an alternative future.

Challenge to existing market frames

At first, OS strengthens the existing segmentation convention by using it to introduce its business plan. But this segmentation convention is immediately challenged in the next move. Speaking in the name of consumers – "consumers are not interested in technologically-defined segments" – the company proposes an alternative way of looking at the market. It presents a different conceptual partition of the market. OS rejects all waters, in the construction of its segmentation. Though pretending to speak about beverages, the company doesn't consider a potential offer which would demonstrate to the retailer its wish to analyse the category "objectively". It runs a cluster analysis from a sample of consumer perceptions which help it build a model of the relation consumers have with brands. A classification of the products based on inherent properties (colas, juices, waters, etc.) is substituted by a classification which combines adherent (those elements that are linked to the product destination, to its targets) and relevant properties (those elements linked to the usage of the product, to their promises and benefits). The outcome is a formalised proposal, which includes some of the elements presented by Karlsbraü Dark Dog earlier on. The company proposes latent problems, a bundle of market constraints, which problematises the structure of current offerings.

The proposed segmentation helps to justify the existence of all its brands which otherwise may appear, for some segments, to be marginal or redundant. It also creates a playground where future innovations can find their place. Unless the proposed translation is successful, some brands may be delisted, and some innovation projects rendered meaningless. What is at stake here, is the creation of a cognitive structure that, if accepted, would create space for the future existence of new brands and innovations.

Danone's description of the market is very similar to the one proposed by Coca Cola and Nestlé. But Danone generates a slight change on its way to define what makes each category. The category "soft drinks" is not defined by the traditional players who claim to build it (Coca Cola, Pepsi Cola, Fanta, etc.). It is defined by its inherent properties: fizzy tasty drinks. Considering this definition, Danone sees its sparkling flavoured water, Taillefine Fizz, as a soft beverage. Fizz should therefore be placed among the soft drinks implying that some room should be made, next to the fruit fizzy drinks. Taillefine is trying a double translation, one that consists of labelling the product as a soft beverage (instead of a flavoured sparkling water, or a soft drink) but also another one, which is a topographical translation. This movement will

allow Taillefine to battle with Coca Cola, the leader of the soft drinks, at the level of location (the physical shelf space) and representation (the cognitive market map of soft beverages). This movement will also consolidate a specific way of looking at the sugar issue in soft beverages.

Two mechanism of framing have been identified, one which consists of a taxonomical effort, a kind of a reengineering of the categories' structure, and one, which challenges the association of one item with a category. In summary, we can say that format of these presentations generates a discourse in which a manufacturer offers the retailer brands that contribute to the profitable growth of both businesses within a set of agreed frames regarding market structure as both cognitive representations in the minds of consumers as well as a set of material arrangements and performance metrics.

Having looked at the second part of the manufacturers' presentations, we will show how they make use of the existing reality and the future potentials. The debate around one obstacle, sugar as a defined cause of obesity, is now at stake.

When sugar becomes the obstacle: trying to frame denominations

The existence of the diet segment is not new. But the way the issue of sugar is addressed differs from one to the other. The first way to limit consumers' calorie intake is to replace saccharine with sweeteners. This creates the so called "diet beverages". Most of the traditional players of the soft drink markets are positioned in this market. It is a flourishing, growing market everywhere in Europe, as manufacturers put it.

The juice makers have to generate a different answer because fruits are naturally loaded with sugar, and possibly, depending on fruit varieties, at a quite high level. Their claim is thus "with no added sugar". It insists on the naturalness of the product. The rhetoric in other words is: my product is sweet because nature made it this way. This formulation implies that the efforts of the soft drink makers are in vain. They have to substitute an undesirable artificial sugar by another artificial sweetener, which potentially, may damage consumers' health.

Another strategy to address the sugar issue is to reduce the amount of saccharine. The product is then said to be "reduced sugar content". This formulation also suggests that the product is healthier that is was. Players like Sunny Delight or Orangina are pushing in this direction.

Of course, one may advocate that consumers should drink water, which is undeniably the healthiest drink. But this has a flip side: water is perceived as a dull beverage. In order to make water fun, Danone and Nestlé have got the idea to add flavours such as lemon, which is

particularly thirst quenching, and a touch of sugar because it is a flavour enhancer. Therefore, flavoured waters are sweet drinks among the waters but they have the lowest sugar content possible among soft drinks! We can now understand the strategy of Danone: Volvic Tea is better off when it competes against Ice Tea because it has much less sugar and it can be presented as a fruit or tea beverage, with mineral water inside. Because the mineral water is made an ingredient instead of the core of the beverage, Volvic Fruit / Tea appears to be very healthy. Similarly, Taillefine Fizz' benefits become more salient with a relative position in the soft drink section, among the "very sweet".

Nestlé, however, maintains its competition within the waters and tries to outperform Danone, and the other players, on the flavoured segment with a claim. Not only does Nestlé scale all the product of the market on a "grams of sugar per litre" basis, but it gives a table to compare whether the product contains preservatives and sweeteners (e.g. aspartame, acéfultame K, sucralose). Nestlé is trying to objectify this sugar issue, like consumers associations would do. In its demonstration, it brings medical experts on board to stress that limited sugar content is not the sole factor that should be considered in relation to obesity. A better life style, with sport and exercise is the absolute base.

Medical experts and lawyers do not speak with the same voice in Europe. The claims are defined and measured differently everywhere, starting with the definition of what a sugar is: is sugar content the same as saccharine content? The energy drink player, Dark Dog, mentions a combination of fast sugar (saccharine) and slow sugar (carbohydrates) as a base of energy that together with caffeine, helps to endure the night. In milk-based beverages, like Danao, the lactose may or may not be included in the sugar content.

The role of an "impartial and trusted agent" would be of help here. As in the case of Sunny Delight, one can claim Vitamin only if one has a certain level of fruit juice in the drink. Many years ago, on the fresh dairy business, the denomination "0% fat" was unclear to the consumers because producers were battling to define it to their best advantage. Not surprisingly, the market was hardly growing until institutional actors formalised the definition of "0% fat" and a standard way to measure it.

Look at my great marketing plan!

In the last part of their presentation, the manufacturers give an overview of the marketing support they are willing to offer to the retailer. The marketing plans, which are primarily brand promotion plans, describe the various initiatives that the drink maker would like to

implement together with their client. The media plan is commonly used to demonstrate the substantial investments that the brand is going to make in advertising – e.g. "My budget is tripled against last year", "…my new TV commercial is doing brilliantly in test, it will be aired in September …".

The intensity of this effort is measured at the best with indicators such as GRP's (growth rating points). Sales promotions are proposed, specifically adapted to the retailer or not. In order to push their vision, as well as the activities they plan to do, suppliers are ready to give sales conditions and a marketing budget. The up-front margin, the promotional rates and the marketing budget will generate the total margin for the retailer. At this early stage, producers can make an impact on the choice of their client. Danone shows us a radical change in its rhetoric at the end of its presentation. Thanks to a simulating tool, the category manager can measure the impact of his decision. What happens if one SKU is replaced by another one? What is the ideal assortment of the best performing stores? What is the margin performance when it is compared to the allocated space, to the inventory, to the labour cost? This simulator is a sophisticated tool that makes use of panel, store check-out and geomarketing data. This unique tool, at least in the contexts of these presentations, introduces performance ratios which appeal directly to Danone's client. Indeed, they reflect at a category level, financial indicators used by the retailer at a corporate level and in particular, return on capital employed ratio, thus creating a seamless alignment of performance metrics between supplier and customer.

The brand was the subject of our story and profitable growth the key objective. We can identify auxiliaries in this quest, such as panels, health experts or other competitors, but also obstacles like the unseasonable weather, concerns with obesity and sugar. In its clinching arguments, supplemented with simulation tools via software and databases, Danone casts the aim of the story in a different light. Consumer satisfaction appears to be much more of a peripheral aim in this story. The grail is indeed profitable growth, but the retailer and its shareholders are now the central characters.

In this paper, our intention was to highlight the representations and proposals made by suppliers to influence the market representations of one of their clients. The interactions that we have described form only one part of the story. In some cases, it may well be that the selected strategies will be shaped by other actors who were absent from the category reviews, such as other large retailers. It can happen that the retailer may be swayed by the impact of say, an advertising campaign. But category managers are not just actors who select one

market representation based on suppliers' presentations. They can also build their own market representations and segmentation strategies, using the data collected by their own check-out information systems. And of course, they can also commission their own market research from specialised agencies.

At this time, our category managers are now ready to build up their strategies. Like the consumers who can rationalise their choices resorting to multiple cognitive prosthesis (Cochoy, 2002), our retail professionals can build their assortments, their marketing plans and implement whole programmes in their stores assisted by a multiplicity of marketing professionals from manufacturers who have themselves mobilised diverse forms of expertise and calculative apparatus.

In the negotiations that follow, significant budgets will be invested to transform these envisioned programmes into concrete patterns of activities. More negotiation rounds will take place before products will be displayed on the shelves of supermarkets.

Conclusion

The intention of this paper was to raise the curtain so that we can see on the stage, the many professionals who contribute to shaping the market for NABs in France. Performativity has been described as a process where narratives about market organisation derive their credence and legitimacy by their embeddedness in routines, technological and material devices, resources and norms.
The category review meetings help us discern the way manufacturers frame the market in different ways by:

a) strengthening existing norms and conventions;
b) creating new conceptual frames through linking problems and solutions through the invention of new products or proposing changes to existing ones;
c) enhancing an existing offering through a translation at the level of the product or its positioning;
d) providing new metrics, metrological technologies, and conceptual maps for existing offerings and revealing potential opportunities in "empty map spaces".

Before exchanges can take place in marketplaces, we can see how retail market professionals have a direct impact on configuration of market scenes, with the help of particular calculative apparatus as Cochoy (2002) has documented in detail. Amongst these apparatus, market segmentation can be regarded as a collective investment embodying stabilisation at the level of market measurements, conventions about consumer cognitive representations, layout of categories in supermarket shelves, and so on. But, as we have shown, this stabilisation is never more than temporary and embodies dynamic patterns of competition amongst many players. Every category review meeting provides opportunities to redefine markets, patterns of substitution and complementarity, introduce new measurement metrics, propose new physical layouts, positioning of brands, etc.

On a pragmatic level, the marketing initiatives that we have described can only take shape and last if they are supported by other kind of investments, physical and monetary, but also institutional. While observing the way the protagonists define their opponents, we can observe many stratagems in the making. Institutional bodies were invited to create regulations so that markets can be reorganised on new principles. The norms that these institutional bodies create can also contribute to the legitimation of certain market players, the elimination or creation of new offerings. Thus market frames are never fully consolidated. But once these frames are provisionally agreed upon, we can observe how marketing professionals enter the scene with a variety of technologies (e.g. hardware, software, management models, etc.) that further contribute to the stabilisation of the market. In summary, market structures and existing qualification processes serve both as a constraint and as resource for new attempts at requalification and restructuring of markets (Callon et al 2002)

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