

CABCO GROUP U.S. MARKET POSITIONING



VSN Strategies conducted a market positioning study to help a New Zealand-based parent company establish its U.S. base, and then advised on its go-to-market strategy for electronic shopping carts

SITUATION:

Cabco, Ltd. had gained early traction in its New Zealand home market with TV Kart, a colorful shopping cart with a video screen that plays entertainment for young children while their parents shop for groceries. The company sought to expand into U.S. retailers. It met significant interest, but saw an emerging opportunity to augment its vended (pay-per-ride) business model with a media model that delivers branded promotional messages to shoppers.

BACKGROUND:

VSN Strategies principal James Tenser had published significant thought leadership in the area of in-store advertising and promotion. With several U.S. supermarket retailers already in active discussion, Cabco reached out to VSN for assistance in understanding the past and present competitive market, industry customs, and pricing models, prior to relocating to the U.S.

ACTION:

VSN Strategies helped Cabco with a sequence of in-depth consulting and analysis projects around in-store retail advertising networks, with particular focus on “smart” shopping carts:

- **U.S. Market Analysis** – Detailed study of the then-present state of In-Store Retail Advertising Networks in the U.S. and other English-speaking markets. The study included: Analysis of market trends; Preparation of a detailed competitive database of more than 50 “Shopper Media” networks then operating in the U.S. market; Market size/opportunity estimates; Projected revenue model.
- **Summit** – Full day workshop at Cabco U.S. headquarters. The session mapped out Cabco’s potential role as targeted distribution channel for in-store advertising.
- **Strategy Consulting** – Retained as an advisor to the U.S. CEO, assisting him during the first year of business development, and prepared an updated U.S. Market Analysis.

RESULT:

Cabco Group launched its vended TV Kart business in the U.S. in 2004. In 2008 it launched media-based TV Karts, basing the positioning and ad revenue model in part upon advice rendered by VSN. By early 2010, Cabco’s TV Kart network had expanded to 260 supermarket chain locations across North America and it was gaining more frequent inclusion in brand advertisers’ integrated media plans.

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