As part of the Buying Better Together strategy, SPAR actively collaborates with Challenger Brands. These on-trend brands are disruptors in their respective categories, outperforming their established competitors and growing market share thanks to innovative NPD and savvy marketing.

Challenger Brands are young brands that challenge established large FMCG brands, changing the marketplace’s status quo. These brands typically grow 2-3 times faster than their fair share, according to a 2019 McKinsey study on disruption in the FMCG market. Challenger Brands are typically local heroes with a proven track of success in one or more markets.

With consumers continuously looking for more novel brands, SPAR International identities and champions these challengers, thereby providing SPAR countries with the opportunity to create differentiation and increase their instore offering.

With its presence in 48 countries, SPAR is an attractive partner account for Challenger Brands. By introducing these highly innovative brands to SPAR markets and our logistical network, SPAR International supports relative newcomers in gaining access to new regions, facilitating their growth outside their home markets.

This partnership benefits SPAR Partners worldwide by offering on-top bonuses, fast growth, and on-trend products. However, it also balances the category dominance of FMCG brands, helping boost innovation in the marketplace and offer SPAR customers a wider variety of highly innovative products. Recent success stories include the introduction of brands such as Tony’s Chocolonely and Oatly to new markets.

SPAR International uses strict criteria to select the right brands with both the ambition and capacity to become an international Challenger Brand and thus a preferred supplier.

Potential Challenger Brands must:
• show home market success;
• have a brand marketing focus and approach;
• have a professional international team that can adapt to local flavours and language;
• and have some capital investor support.

Several Challenger Brands participated in the 2020 SPAR International Partnership Forum, presenting their product offering and interacting with interested parties. SPAR Partners can find more information on the programme by logging into the intranet platform SPAR Connect.

Launch of Oatly in Austria
An exciting development within the SPAR Challenger Brand programme has been the launch of Oatly in Austria.

Consumer interest in plant-based food and beverage options is on the rise. Oatly is a strong Challenger Brand shaking up the dairy alternatives category with an innovative range of plant-based oat products. The Swedish company’s patented enzyme technology turns fibre rich oats into nutritional beverages. Besides oat drinks (both chilled and ambient), the brand’s product line-up includes oat-based spreads, desserts, and cooking products.

### Oatly Austria launch

SPAR Austria first listed Oatly products in November 2019 with a range of up to six SKUs, depending on the store format. Since this launch, Oatly has become the most popular Oat Drink brand at SPAR. The plant-based drinks category has seen impressive growth at SPAR in Austria, showing 55% category growth in 2020.

Since this launch, Oatly Barista Edition has become the preferred supplier. Oatly regularly participates at the Vienna Coffee Festival, creating a large fanbase in the Viennese coffee scene. The brand also frequently initiates promotional activities at well-known and high-quality coffee restaurants.

### Oatly assortment at SPAR Austria

**Marketing approach**

The launch of Oatly at SPAR was accompanied by a highly effective marketing and communications strategy that reaches customers through diverse media. This strategy included attractive shelf wobblers as well as an advertisement in the INTERSPAR magazine Mein Zu Hause. SPAR Austria also featured price promotions on Oatly products in its various leaflet communications.

As a Challenger Brand, Oatly maintains an active marketing plan in Austria to gain brand awareness and stimulate demand.

Oatly has described SPAR as an essential partner in interviews with Austrian media and press releases and campaigns, marking their excellent collaboration.