

Secret Sauce

The other day, I was walking past a row of storefronts in what used to be one of the more vibrant shopping areas in Greenwich Village. Most of the windows that didn't stand empty were humbled by red-lettered signs and the faint hope that the word "SALE" would make a difference. But as I approached the corner of 10th and Bleecker, something changed. There was one store that was jam-packed. I looked up at the sign, which read, "Pure Dark." If the mystery of the name didn't get me, the aroma wafting out onto the sidewalk certainly did. Chocolate.

Inside, deep, dark — and presumably pure — slabs of chocolate beckoned. There was more to it than that, though. For one thing, you could sample almost everything in the store. Even more important, you could customize your chocolate with any number of exotic toppings — chipotle, ginger, sesame — from real hot to just plain interesting.

All you have to do is buy a few of these little round chocolate wafers — nibs, as they call them at Pure Dark — and one of their friendly staffers will sprinkle or dip it in whatever you like. The store itself is just really cool, with a very rustic, rough-hewn kind of look. It's not what you usually think of when you think of a high-end chocolate shop.

Beyond the experience itself, I was struck by how it was communicated — mostly just by being there. When I went home, I logged onto my computer to check out their website (puredark.com) and was surprised to find just a splash page with a short description of the store and an email address. The site did not even give a street address!

Digging deeper, I started Googling "Pure Dark" and found that the only other mentions of it were on a few blogs. Let's think about that for a moment. There's exactly one store doing well in a formerly vibrant shopping area. It's done no advertising other than apparently letting a few well-placed bloggers know about it. It lets foot traffic and an exceptional shopping experience take care of the rest.

WORLDS ARE COLLIDING

Here's what I find so interesting: Marketers and advertisers are so excited about social networks, mobile phones and the marketing potential for innovative, one-to-one communication therein. A recent *Hub* survey (see page 8) indicates that 60 percent of marketers see "social networks" as the emerging media that will see the most experimentation in the year ahead.

This was followed by "mobile phones" at 52 percent, with "online video" (27 percent), "microsites" (21 percent) and "digital out of home" (19 percent). Way down at the bottom of the list, at just under 18 percent, was "retail media."

The result was revealing because "retail media" offers one of the best opportunities to form a deeper, one-to-one bond with consumers. It also suggests that many in our industry have yet to put "two and two together" when it comes to combining online and offline media tools to enhance one-to-one communications.

This doesn't mean "integration" in the usual sense because that's invariably about tactics. It's about the close relationship between what people love about the internet and how that translates to the shopping experience in stores.

We hear an awful lot about "shopper marketing." The focus there seems to be almost entirely on how to sell more stuff to shoppers. That is important, particularly in this economic downturn. But this

There's absolutely nothing about this recession that a little bit of good chocolate and a lot of great retail can't cure.

discussion is almost invariably tactical and centered on things like how to build better displays or create more relevant coupon delivery systems. Seems like that is more of the same old thing.

The *Hub* survey also revealed that many of today's marketers feel they are having "less fun" than in the past. The sales team at Pure Dark may or may not have heard of "shopper marketing" but they sure look like they have recaptured some of that "missed fun."

Not only do these folks "get" what shoppers really want, they give it to them. And it is not a one-way communication. They are talking to their customers, asking questions, presumably taking notes, and continually refining the experience as they go.

Isn't this how Starbucks got started? Remember "the good old days" when Starbucks was all about aromas, customization, and, most of all, conversation? Starbucks did no advertising other than build another one of its coffee shops in your neighborhood and staff it with a team great at engaging with customers.

I have no idea if Pure Dark is the next Starbucks. Maybe it shouldn't be because that might spoil it. But I do know that Pure Dark points the way to the future of retail because it takes a holistic view of its online and offline presence, and does so with the sense of fun and imagination that exemplifies great retail.

A TRULY INNOVATIVE PLATFORM

It is not just a happy coincidence that Pure Dark chose to promote itself purely through online media and retail as media. I don't think they decided to get the word out through a few influential bloggers just because they thought it would be the cool thing to do (although it was).

They likely went that route because they understood that the online and in-store cultures are remarkably similar. The most obvious common denominators are the ability to discover new things, tailor those discoveries to personal tastes, and experiencing them when and where we want to.

For shoppers, it does not have to be about always finding the lowest possible price. It's also about finding out what's new, exciting and fun on one's own

terms. It's not about plopping a kiosk in the corner or hanging a digital sign overhead and calling that "integration." It's about delivering in the store on the things people love about going online.

This isn't just about chocolate, of course. If it's buzz you want, chocolate rarely fails to deliver. But choose almost any category you want — cars, consumer electronics, financial services or even toilet paper (as can be seen by the Charmin holiday store in Times Square) — and the same principles apply.

I can almost hear the sales guys, the shopper marketing agencies and retailers saying, "Okay, that's interesting, but it takes too long to build, and I need to make my numbers today." Well, tell that to Pure Dark, the one bright light in a New York City retail neighborhood that is otherwise struggling to stay relevant.

Given the economy today, shoppers still respond to coupons and displays. However, while such tactics may get a short-term bump, you'll never get the kind of long-range gain you'll need to not only survive this recession, but also prosper through it, and beyond it.

A little excitement and a lot of insight into the true potential of retail as a platform for innovative marketing — and not just sales and distribution — will go a very long way.

Not only will sales happen, but brands will also grow bigger and stronger than ever through increased demand.

This is where the focus of "shopper marketing" ought to be — not just on research into how shoppers respond to various kinds of promotional offers, but also what people really want and expect out of their shopping experience. ■



VINCE WEINER is a senior vice president of corporate strategy at **Active International**, focusing on developing retail and OOH digital solutions for their clients. Vince can be reached at vweiner@activeinternational.com or 845-732-8514.

Points of

**Is marketing still fun?
What keeps you up at night?
Which opportunities look best?**

In March of 2007, we ran a survey which consisted of a single question: As a marketer, what is your greatest point of pain? Given current economic conditions, we thought this would be an opportune moment to ask a few follow-up questions.

Not surprisingly, a plurality of our survey respondents said the marketing biz is “less fun” today than it was a year ago. “In this economy, is anything more fun?” asked one respondent.

But more than a few intrepid (masochistic?) souls said they relished the challenges of a less tolerant economic climate. As one put it: “For those with a passion for it, marketing is now more of an adventure into discovery, rather than a trip down the mediocre road of sameness.”

Beyond the obvious aches of reduced budgets and increased pressures, the greatest challenge appears to be improved understanding of, and communication with, consumers.

One solution, many seem to believe, could be the effective use of social networks. Indeed, 60 percent of survey participants picked “social networks” as the emerging media most likely to see experimentation in the year ahead.

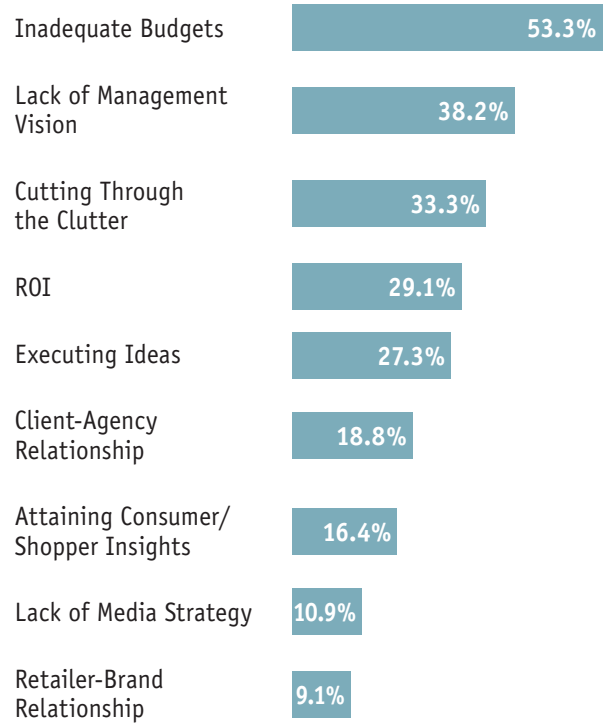
Mobile phones came in second at 52 percent, with online video (27 percent); microsites (21 percent); digital out-of-home (20 percent); and retail media (18 percent) trailing.

However, a few respondents voiced skepticism over the true potential of social networks and other relatively new forms of online media. “When ‘social media’ is touted as the Next Big Thing, we are in big trouble. If it doesn’t drive revenue, it shouldn’t be allowed to the table,” one respondent said.

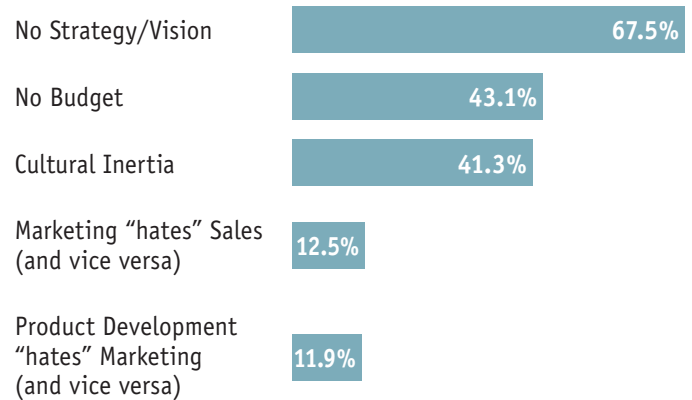
Fifty-three percent cited “inadequate budgets” as the issue most likely to cause restless nights, followed by “lack of management vision” at 38 percent. Interestingly, when the question concerned “obstacles to innovation,” the issues flipped — with 68 percent blaming “no strategy/vision” and just 43 percent citing “no budget.”

Meanwhile, “cutting through the clutter” was identified as a pain-point by 33 percent.

Which of these marketing issues is most likely to keep you awake at night? (pick as many as apply)

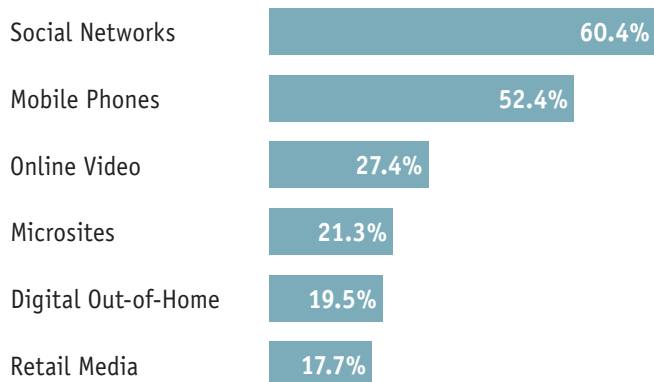


What are the greatest obstacles to innovation today? (pick as many as apply)

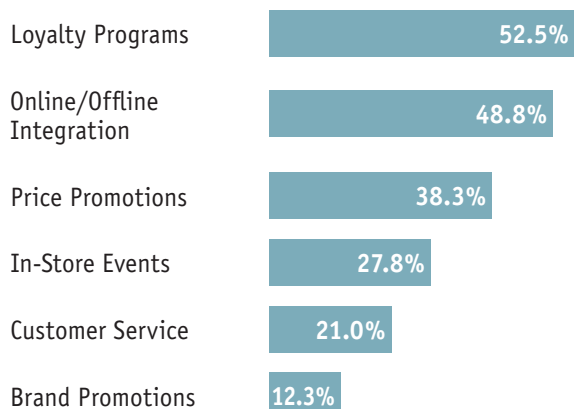


Pain

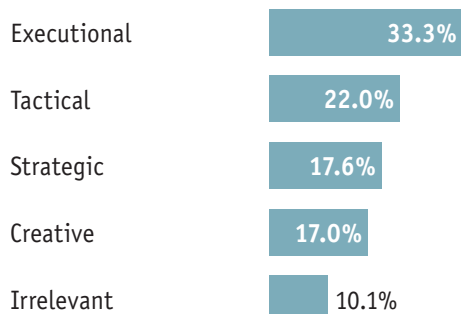
Which emerging media will see the most experimentation in the year ahead? (pick all that apply)



Which retail programs will see the most experimentation in the year ahead? (pick all that apply)



Which of the following best describes the role of most agencies today?



When we asked about the greatest opportunities for clutter-cutting, one respondent said, “Nudity,” but quickly added, “Just kidding.” Most answers settled in traditional areas of innovation, better products, services and customer experiences.

In what might be considered a surprise, relatively few respondents identified historically rocky relationships between sales and marketing or product development and marketing as problematic. In a similar vein, few cited the traditionally difficult relationships between brands and retailers and increasingly shaky bonds between clients and agencies as major issues.

As to the growing threat of “store brands” to the fortunes of national brands, a plurality of 43 percent characterized it as “medium,” with 39 percent calling it “large” and just 14 percent saying the threat is “small.” However, as one respondent noted, “Especially in this economic environment, ‘price value’ will trump ‘brand value’ if brands are not properly managed.”

“Loyalty programs,” at 53 percent, led the list of retail programs believed most likely to see the most experimentation in the year ahead, followed by “online/offline integration” (49 percent); price promotions (38 percent); and “in-store events” (28 percent).

With respect to the role of agencies, 33 percent said most agencies today are “executional,” with 22 percent terming them mostly “tactical,” 18 percent saying most agencies are “strategic” and 17 percent calling them mostly “creative.”

When it comes to “must haves” for the year ahead, most respondents homed in on the basics—talented people, great creative, adequate budgets, focus, vision, insights and a solid return-on-investment. Others took “must-haves” down to a more personal level. “Coffee, music,” said one. “Alcohol,” said another. “A job,” said a third.

RESPONDENT PROFILE

A total of 166 survey respondents included brand marketers (26%), consulting firms (22%) and agencies (21%). Twenty percent worked in packaged goods firms, 7% in media/entertainment and 4% in retail. A majority were senior-level executives with 78% reporting more than ten years of experience in marketing. ■