

# Brand *to* Retail

BY AL WITTEMEN AND MARTA LAROCK

TRACYLOCKE

When Procter & Gamble first championed brand management, astute marketers quickly boiled it down to four things: 1) Superior understanding of the consumer; 2) Product or service differentiation; 3) Strategic marketing; and 4) Innovation. Great strength resides within the simplicity of these core principles.

Later, when evaluating the return-on-investment of consumer brand marketing programs, those same marketers found that they couldn't prove it. So, they followed the money to retail, where they could confirm

## Seven “simple” questions clear the path to innovation and growth.

the return-on-investment. That was back when marketing at retail was nothing more than spending trade funds to get maximum feature and display.

Over the years, marketers learned how to apply basic consumer marketing skills to build brands while also achieving measurable results at retail—a discipline that's currently referred to as shopper marketing.

This is why it strikes us as a little odd that, these days, the burning question on everyone's mind is, what is the difference between consumer and shopper marketing? When should we use one or the other? How should resources be allocated? Are separate agencies necessary?

These are the wrong questions. They are the wrong questions because building brands while

driving volume is not about the *differences* between consumer and shopper marketing. It's not about separating the two or focusing resources on one or the other. It's not an either/or proposition because the goal is to build our brands *and* make our numbers at retail.

In fact, there is no such thing as consumer marketing or shopper marketing. There's only *good* marketing that turns consumers into shoppers by driving brand equity all the way to the point-of-purchase wherever that may be—at home, away from home, or at retail.

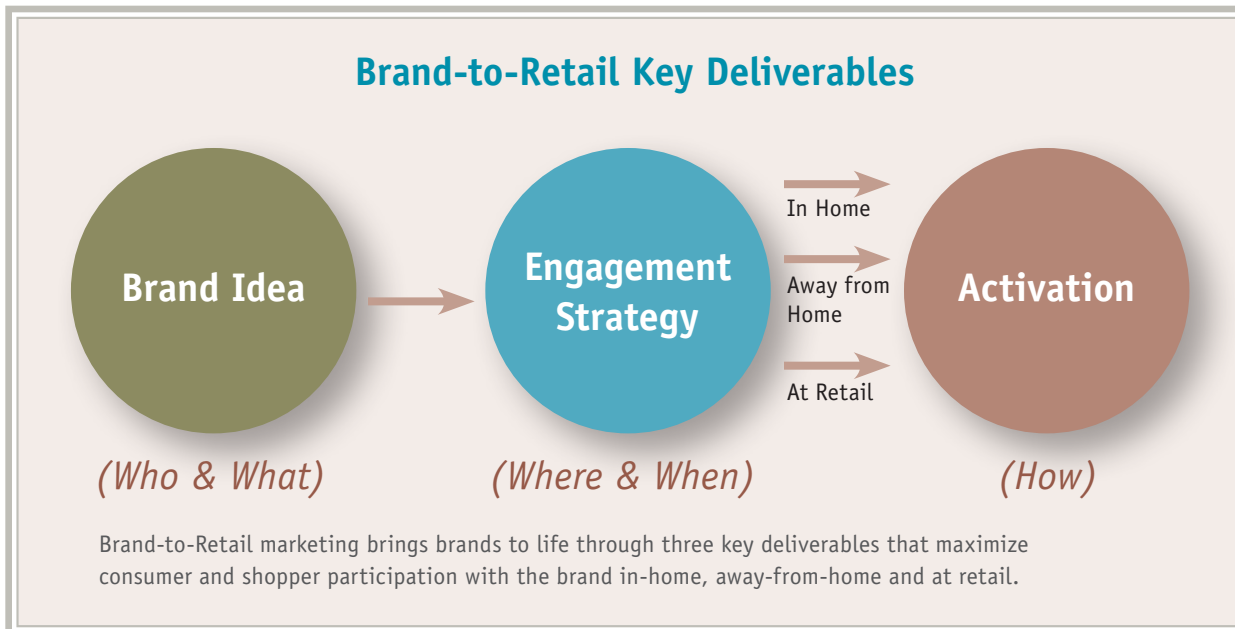
*Good* marketing is easier said than done, however. It demands two kinds of expertise—one in brand and the other in retail—converging to create experiential brand ideas, and not just advertising or promotions, at retail.

This requires an understanding of consumer relationships with the brand within the context of their everyday lives, as well as how they—or someone shopping for them—relates to the brand within the context of a particular retailer. This means gathering and applying insights at every touch-point along the path to purchase.

We can appreciate why so many people think this is harder than it sounds. It calls for insights into consumers and their shopping behaviors, and requires a diverse array of experts to work together as collaborators.

In fact, when we sat down to try to build a process that would capture the necessary steps for successful “brand to retail” marketing, every diagram looked like it came from the complicated mind of a brain surgeon.

To try to simplify things, we instead created seven questions that we decided must be answered to drive a brand all the way to retail. These seven questions are deceptively simple, but in most cases are left unanswered, and unfortunately good marketing is left behind.



Source: TracyLocke

### 1. What is the brand's and the retailer's key source of differentiation?

Most marketers believe that differentiation is the “engine” of any successful brand effort. While this is true, it can no longer stop at an understanding of the brand’s ownable equity.

In fact, in many cases the retailer now has a bigger draw, sometimes a bigger voice, and often more control, than the brand. The new goal is to create communications that serve both masters, the brand and the retailer, by expressing what is unique about both, in one fell swoop.

For example, if Walmart’s brand essence is all about saving money and living better, what does your brand contribute? Differentiation is now a team sport, between brands and retailers, focusing on what consumers need to know and what shoppers need to do to drive growth for the brand and the store.

### 2. Where is the purchase decision made?

This is both the most interesting and most important question. Ask everyone you know — whether it’s a retailer, manufacturer or agency — if they know where the purchase decision is made on their most important effort, and see how many times you get an answer. We’ll bet that at least seven times out of ten, they won’t be able to tell you.

But if you don’t know where the decision is made, how can your brand be relevant and connect with that consumer and shopper? It can’t.

There’s no way around it: You must know where the decision is made and invest in the necessary research to gain that understanding — both consumer research and shopper research — in the home and in the store.

For more ideas about this, see *Connect the Dots*, which appeared in the November/December 2008 issue of the *Hub*.

### 3. Who are the targets pre-store versus in-store?

In many cases, the consumer is not the shopper: Think of a mom who is buying energy drinks for her young, thirsty teenage son. Communications can introduce the brand to both the mom and her son, motivate trial with the son and lead the mom to the category in her favorite store, while convincing her that yours is the only brand to buy.

This requires insights about the mom, the son, the brand and the retailer. It requires an understanding of barriers and bonds to trial and to purchase. Finally, one must uncover where and when to best reach the mom and the son, which is most likely in different places and at different times.

### 4. What is the desired brand experience and how do we maximize participation?

It takes a great brand idea to recreate the brand essence or equity and serve up an experience that people recognize as true to the brand, see its relevance to their lives and decide they can’t live without it.

At the same time, it takes a great engagement strategy to ensure that people come across that brand experience again and again and are enticed to become loyal users.

Most important, brand experience must be taken right down to the planogram and SKU level. There isn’t a retailer today who isn’t looking at reducing SKUs this year, some by as much as 20-25 percent. If you can’t translate your brand’s experience at the planogram and

SKU level, you will lose your place at the shelf. It's not an option.

We spend the overwhelming majority of our time planning features and displays. And yet, the overwhelming majority of purchases come from the planograms and the SKUs. Let's get that experience built into our departments, at the shelf. You've already done so in merchandising; put it in the planograms and the SKUs, too.

### 5. What is the role of advertising, digital, promotions and merchandising?

Let's start with merchandising, which is not where most agencies start. Merchandising is all about connecting the brand to the shopper. It's not about waiting for the shopper to come to you. So don't just think of merchandising as stack 'em high and watch 'em fly. Think of merchandising as how to get your merchandise into the hands and carts of your consumer. What are the different ways to do that? Advertising, digital and promotions should be used to close that deal.

Think about where the shopper is looking for the information, link that back to where the decision is made, and merchandise at every connection point when and where possible. Don't just think about what you've already done and how to do it better. Finally, it is not about having the most touch points but instead using the touch points that are the most effective, most effectively.

### 6. What are the drivers of impulsivity?

Almost two years ago, the *Hub* featured a study done by Dr. Raymond Burke that outlined eight simple factors driving shopper satisfaction, loyalty, and word-of-mouth (*Shopping Simplified*, Sep/Oct 2007). Dr. Burke referred to these eight factors collectively as "shoppability." The way we see it, if he can make up a word like "shoppability" we can coin the term, "impulsivity"!

Impulsivity actually is a real word (look it up) but our definition of it simply means encouraging shopper engagement and conversion in the store. We waste too much time arguing over whether the percentage of purchase decisions made in-store is 70 percent, 50 percent or 20 percent. The truth is, it varies, and the key is to understand the different dynamics in play. It's those variables that give us opportunities to drive impulsivity — and sales — at retail.

Impulsivity — it's our word and we're sticking with it!

### 7. How, where and when can we drive innovation?

Ultimately, innovation is the key to growth — not only innovative ideas and communications, but innovative products, packaging, merchandising, media choices... innovative *everything*. This is truer today than ever because if you're not innovating in this recession, you're in a depression!

However, innovation also requires a focus. In the cover story of this issue of the *Hub*, Joan Chow mentions that innovation at ConAgra Foods means "focusing on fewer and bigger ideas." We've heard similar things from other great marketers, such as A.G. Lafley at Procter & Gamble.

Simplicity and adhering to the basics are just as important. In a recent interview in the *Wall Street Journal*, business historian Nancy F. Koehn talked about how Henry Heinz, founder of Heinz Company, pulled his enterprise out of near bankruptcy in the late 1800s simply by "bringing out ketchup and a bunch of other related products."

As Nancy explained: "He is just thinking, 'What else can I sell consumers that is affordable and that builds on my own expertise?'" Like our seven questions, Henry Heinz's approach was nothing fancy or complicated. We're sure he would have appreciated the idea that it's not *either* consumer or shopper marketing — it's *both*. Thinking about it that way does clarify things in a hurry.

So, if you can answer these seven questions — great. You're on track to innovate your way to growth based on measurable return-on-investment. You will achieve your objectives and will be well on your way to marketing to the consumer *and* the shopper most effectively. ■



**AL WITTEMEN** is managing director of retail strategy for **TracyLocke**. He has 35 years of experience in marketing, sales and shopper marketing of consumer packaged goods. Al can be reached at (214) 259-3531 or [al.wittemen@tracylocke.com](mailto:al.wittemen@tracylocke.com).



**MARTA LAROCK** is evp, director of strategic planning at **TracyLocke**, working with PepsiCo, Golden Corral, MasterCard and others. Previously, she was with Publicis New York, D'Arcy and Young & Rubicam. Marta can be reached at [marta.larock@tracylocke.com](mailto:marta.larock@tracylocke.com).