

## Marketing can help build strong shopper-strategies **SIX** ways.

# Six Appeal

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One of the issues that is inevitably creeping-up on marketers is the need to get brand marketing involved with shopper marketing, regardless of whether these companies have already created a shopper marketing function that they *think* is doing the job for them.

We can assure you that if your marketing department is not involved with understanding how your consumers behave as shoppers, and providing the balance of the company with a framework for leveraging this intelligence straight up to the point-of-sale, you are making yourself vulnerable to any of your competitors who are doing this.

In this context, we suspect that many of you have repeatedly heard really irritating phrases like the following:

- *“Our company views shopper marketing as brand marketing in a retail environment!”*
- *“Brands now need to communicate along the entire path-to-purchase—both in-store as well as pre-store—right up to the point-of-sale!”*
- *“If you don’t understand your consumer as shopper, you don’t understand your consumer!”*

The problem with these types of broad-brush statements is that they can unwittingly be turn-offs for marketing executives and product managers who feel their plates are already always full.

Because of the massive potential additional work that these phrases can conjure-up for marketing department decision-makers, it becomes easy to rationalize jettisoning the responsibility for these

functions to some other department within the organization that appears to be inherently better equipped to address “retail.” So why not Category Management or Sales? “Shopper” = “Retail” = “Sales.” What could possibly be more logical, right?

Result: No marketing-trained perspective or input and therefore no truly differentiating or meaningful insights for either the manufacturer or retailer. There is almost no linkage between the category folks responsible for shopper marketing on the ground and the brands they represent.

Try as they might, category managers cannot escape the fact that category-based insights are relatively narrowly focused while shopper-based insights incorporate the whole enchilada. And it is the whole enchilada that gives one’s competitors big time indigestion, *not* the individual ingredients. But to dish-up the whole enchilada *requires* marketing expertise because only marketing has all of the ingredients and skill sets to blend them properly.

From a business standpoint, the reasons for the marketing department to get involved with consumers as shoppers keep piling up on an almost daily basis. Outside of the obvious—fragmentation, consolidation and consumer “tune-out”—loyalty has literally tanked.

In addition to the oft-repeated and somewhat self-serving POPAI research contending that “up to 70 percent of purchase decisions are unplanned,” we now have more current, independent, affirmation from *Consumer Reports* (no less!) which finds that unplanned purchases are now up to 84 percent (CRNRC, Aug 1, '09).

Because this is not “new news” to the experienced marketing executive, why aren’t more marketing departments becoming involved with shopper marketing, even though a shopper function may already exist in their companies?

The biggest roadblock that we see at present is the

### Chart 1: When Marketing Drives the Agenda

#### Overview of Key Shopper-Based Responsibilities by Department

| Brand Marketing   | Shopper Marketing  | Customer-Team Marketers   |
|---|--|---|
| <ul style="list-style-type: none"> <li>• Ensure marketing expertise extends across the entire path-to-purchase</li> </ul>         | <ul style="list-style-type: none"> <li>• Apply marketing expertise to consumers</li> </ul>   | <ul style="list-style-type: none"> <li>• Market to specific shopper segments within assigned retailer(s)</li> </ul>   |
| <ul style="list-style-type: none"> <li>• Profile target consumers as shoppers</li> </ul>  | <ul style="list-style-type: none"> <li>• Profile shoppers in different channels and formats</li> </ul>   | <ul style="list-style-type: none"> <li>• Profile the mutual target shopper and prioritize growth opportunities</li> </ul>   |
| <ul style="list-style-type: none"> <li>• Understand what target shoppers are “solving for”</li> </ul>                             | <ul style="list-style-type: none"> <li>• Excavate and qualify shopper insights — channel or segment</li> </ul>   | <ul style="list-style-type: none"> <li>• Develop retailer-specific insights/ Identify knowledge gaps/recommend research</li> </ul>                                |
| <ul style="list-style-type: none"> <li>• Identify and address universal purchase barriers</li> </ul>                              | <ul style="list-style-type: none"> <li>• Identify and address channel-specific barriers</li> </ul>   | <ul style="list-style-type: none"> <li>• Identify and address retailer-specific barriers</li> </ul>   |
| <ul style="list-style-type: none"> <li>• Ensure brand message is sufficiently broad and flexible to translate in-store</li> </ul> | <ul style="list-style-type: none"> <li>• Develop differentiating strategies and a menu of executions for ‘non-custom’ retailers to meet shopper needs</li> </ul> | <ul style="list-style-type: none"> <li>• Collaborate with retailer to develop proprietary shopper-based strategies and initiatives</li> </ul>                     |
| <ul style="list-style-type: none"> <li>• Integrate into annual brand plan/ Establish discrete budget</li> </ul>                   | <ul style="list-style-type: none"> <li>• Define how each brand initiative adds value to retailers</li> </ul>   | <ul style="list-style-type: none"> <li>• Identify how our brand(s) can uniquely help the retailer differentiate and/or achieve shopper-based solutions</li> </ul> |

SOURCE: Hoyt & Company LLC

lack of definition of just what this involvement entails for the marketing department — or, more specifically — where its responsibilities begin and end, and where the hand-offs occur between marketing, shopper marketing and customer-team marketers.

If one understood this better, one might be motivated to move on this. In addition, the good news is that, based on the advantage of many years’ hindsight, these responsibilities are not nearly as foreboding as the uninitiated might imagine. In fact, they can be relatively easily integrated as extensions of current skill sets.

The way we see it, the marketing department’s role in shopper marketing can be boiled down to six responsibilities (see chart 1). Taken together, these responsibilities are meant to establish a *strategic framework* for more detailed planning and implementation by the shopper-marketing department and customer-team marketers respectively (as one moves to the right of the table, planning becomes more detailed).

Specifically:

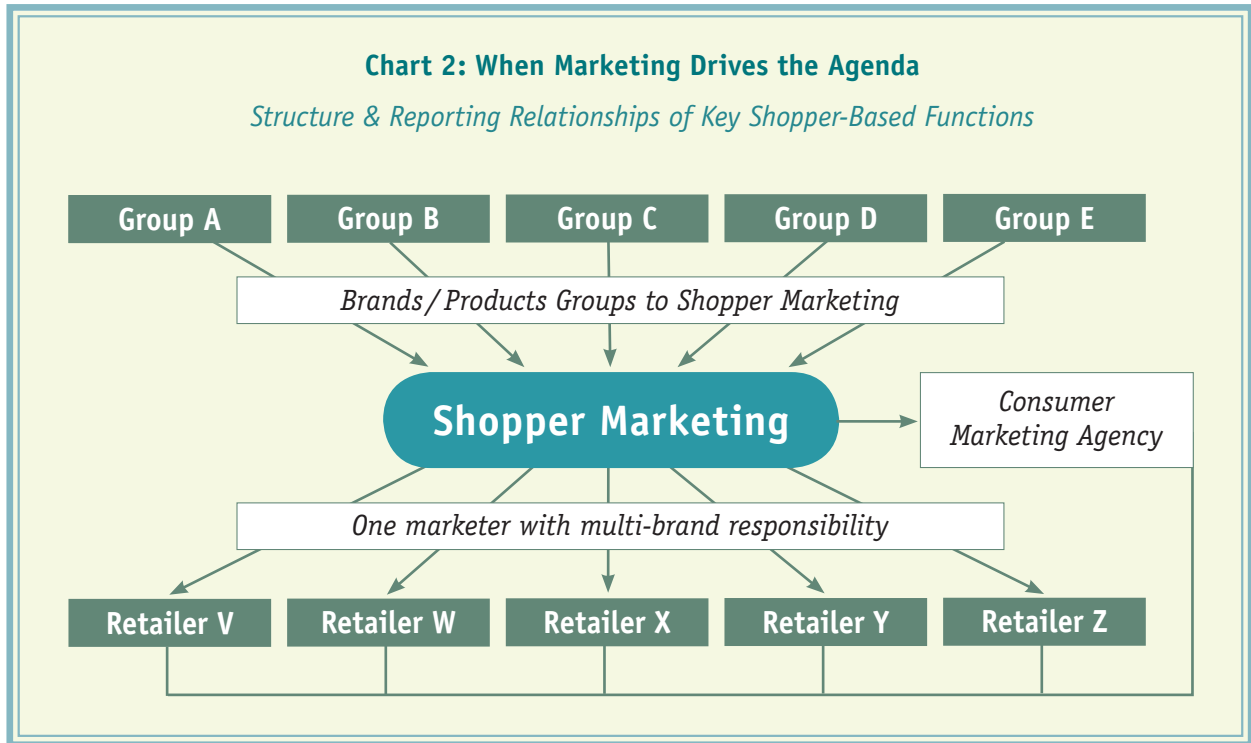
**1. Ensure marketing expertise extends across the entire path to purchase.** Shopper marketing is called shopper *marketing* because it cannot be effectively planned and implemented without

marketing-trained input. The underlying idea is path-to-purchase (or “touch-point”) marketing — *i.e.*, creating a predisposition to buy, maintaining top-of-mind awareness at each juncture along the shopper’s journey, and then bringing all resources to bear on triggering purchase at the point-of-sale.

While many elements are involved in this — creating awareness, understanding shopper needs, overcoming purchase barriers and leveraging one’s equities — one cannot maximize the potential of this strategy without proactive marketing-department participation.

Best-practice companies ensure this by assigning brand-trained people on a rotating basis to either their shopper-marketing department or to one of their customer teams as part of their career training (see chart 2).

Those assigned to the shopper-marketing department act as the interface between shopper marketing and the product groups, while those assigned to customer teams provide marketing-trained input to customer plans and continuity of thinking from brands to the point-of-sale. To maintain the integrity of this thinking, customer-team marketing managers report directly to the shopper-marketing department.



SOURCE: Hoyt & Company LLC

**Action item:** Identify best prospects for rotation and begin the process as soon as possible.

**2. Profile target consumers as shoppers.** The whole idea of shopper marketing is to understand how one's core target consumers behave as shoppers and use this intelligence to win at the point-of-sale in different channels and retailers.

The premise—since validated over and over by hundreds of studies—is that once your target consumers decide to go shopping, they morph into a mindset that traditional demographically based segmentation approaches do not anticipate or encompass. Some call this mindset “shopper needs” or “need states.”

The reason it is so critically important for marketing people to understand their consumers as shoppers is that shopper needs often become the motivation of the moment. This frequently overrides the consumer's predisposition to buy. In addition, these needs will often dictate what shoppers will buy, where they will buy it and why.

Obviously, the more one understands these needs, the better one will be prepared to provide guidance to one's customer-marketing agency, shopper-marketing department and customer-marketing managers on what types of messages and triggers are most effective with different shopper segments in different channels and retailers. Alternately, continuing to leave this to

chance in an environment where 84 percent of purchase decisions are unplanned is obviously not working well.

**Action item:** Profile your consumers as shoppers. Include behavioral data as well as demographics and psychographics. Share findings with shopper marketing to ensure maximum relevancy and targeted initiative development.

**3. Understand what target shoppers are “solving-for.”** What are shoppers trying to solve when they buy your brand? If the list says “something easy for Tuesday night's dinner” or “snacks for soccer practice,” your competitive set can be very different than what shows up on your syndicated, point-of-sale data report.

What is your shopper's decision process? This means more than the classic consumer decision-tree. This means understanding what influences your targets at the point-of-sale—how much time they are willing to invest in finding the right product, what information they need to make a decision, why they will trade up (or down) and what triggers will activate their purchases.

Why does the shopper choose your brand when confronted with a plethora of choices on the shelf? Understanding the equities that resonate most strongly with your target shoppers can help them cut through the clutter and make the difference between winning and losing at the point-of-sale.

**Action item:** Identify information gaps and add questions about your target shoppers to all research initiatives. Communicate findings to the shopper-marketing department, customer-marketing managers and other appropriate departments.

**4. Identify and address universal purchase barriers.** Purchase barriers are elements of either the brand or the retail environment that prevent shoppers from choosing your brand. Universal barriers are not store-specific and need to be addressed by the brand itself. The most common universal barriers are:

*Low brand awareness.* Are target shoppers familiar with your brand and what they can do for them? If not, are you effectively communicating this via packaging or in-store messaging? If your brand comprises many flavors, colors or forms, can shoppers easily distinguish and find what they want?

*Choice confusion.* Does your package “pop” on the shelf or is it “lost?” Are points-of-difference communicated clearly? Do target shoppers have enough information to determine that your product is right for them? Can they determine this quickly—without having to “work” for it?

*Poor value perception.* Does your brand clearly communicate its value when compared to competition on the shelf? Do shoppers understand the differences that justify a premium price for your brand?

**Action item:** Conduct store checks in different channels and formats to assess the in-store health of your brand versus your competitors’ brands. Observe how shoppers interact with your brand and which barriers might be preventing purchase.

**5. Ensure your brand message is sufficiently broad and flexible to translate in-store.**

The fact that 95 percent of shoppers shop for packaged goods in five or more different channels or formats every month is a pretty good indication that different stores address different needs of the shopper at different times.

A shopper’s choice of store on any given trip is often an indicator of his or her mindset and expectations—quick in-and-out at a drug or convenience store, healthy choices at specialty food stores, value at a Walmart, full family shop at a supermarket, etc.

To leverage this understanding, shopper marketing crafts messaging that is as relevant as possible to shopper mindsets when they shop for *your brands* in these different channels or stores.

To be effective for shoppers, these messages are rarely direct translations of the national copy. They are frequently truncated and abbreviated to cull-out what

is important to shoppers when in a particular mindset. Therefore, it is obviously important that the brand’s over-arching messaging platform be sufficiently broad and flexible to accommodate these variations.

**Action item:** Review the brand message or communications idea for in-store flexibility.

**6. Integrate into annual brand plan and establish a discrete budget.** To maximize the potential of one’s shopper-marketing function, it should be integrated into one’s annual brand plans—complete with objectives, revenue projections and budget allocations—just as any other communications channel.

In reality, most shopper-marketing start-ups are funded from a corporate brand tax until they are well established. The end goal, however, is to incorporate them fully into the brand plans as quickly as possible. Only when shopper marketing is incorporated into the plan does the brand have enough “skin in the game” to provide shopper marketing with the information and cooperation it needs to be truly successful.

Incorporate meaningful metrics for shopper marketing. Unlike traditional in-store promotion, best-practice shopper marketing is not measured on lift and ROI alone. Longer-term marketing metrics like share growth, source-of-revenue growth and increased household penetration can and should be included where data is available so one can accurately judge shopper-marketing investments against other options in the brand plan.

**Action item:** Meet with shopper marketing during annual planning to discuss objectives, opportunities and metrics.

So here’s your decision: You can truly market your brand all the way along the path-to-purchase if you can carve out time to: 1) identify best marketing prospects for rotation into shopper marketing; 2) profile your consumers as shoppers; 3) add shopper questions to brand research; 4) assess the in-store health of your brands; 5) review your brand message; and 6) meet with shopper marketing during planning.

Or... you can let those irritating phrases continue to rent space in your head for free. Your choice. ■



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