

Checkout Checkup

Insights, integration
and collaboration
bring retail success.

Is shopper marketing here to stay?

Tia Newcomer: Absolutely. It's here to stay because it starts with insights — how can that go wrong? It's funny, I was just on a call with our worldwide advertising and marketing teams, and it was interesting when we started talking about shopper marketing.

My plea to them was that if we're truly starting with insights, why would they not bring the retail marketing team into the process earlier? I talked about how Procter & Gamble is adopting the "store back" theory.

This doesn't mean that you start with the store, but it's the Holy Grail. If an idea works in stores, it's going to work everywhere else.

Jay Contessa: As we all are trying to reach consumers when they are making decisions, the store is where that war is won. And that's where shopper marketing plays its role. We're still at the infancy stage of what shopper marketing really is, how to use it and finding the right definition of it.

Some people view it as an additional level of trade dollars to supplement activity. Others use it to drive 360-communication

to the shopper at retail. It hasn't been universally defined. If shopper marketing is run from the sales organization it may have a different definition than if it is run from the marketing part of the organization. But either way, they both try to do the same thing: impact the shopper at the point-of-decision, at the shelf.

Mary Goggans: I'd like to start with the definition of shopper

to stay, then of course shopper marketing is here to stay.

Al Wittemen: Marketing is the only way to differentiate brands, and shopper marketing is an important part of that. You market to consumers and you market to shoppers.

The best marketers I know realize that shopper marketing is all about building brand equity while

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marketing as Kimberly-Clark defines it, and the big word here is "integrated." We look at shopper marketing as integrated marketing programs based on a deep understanding of the shopper.

Our shopper marketing programs are designed to do several things: build brand equity, differentiate the retailer, and ultimately drive profitable sales.

So, when you start with that word "integrated," shopper marketing is really just marketing while the consumer is in the shopper mode. So, if you think marketing is here

increasing sales, and the basics are the same: superior understanding of consumer and shopper needs and wants and satisfying them with innovative solutions.

What is the best way to align brand and shopper strategies?

Newcomer: HP, as a shopper-marketing organization, needs to ensure that we are feeding these shopper insights back up through the system. We need to do that whether it's through our R&D

A ROUNDTABLE FEATURING

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team or to our brand's advertising teams because that will feed their insights-driven perspective.

Right now our R&D and advertising teams are very focused on the end-user or consumer, and not necessarily a person who is in the store. There is a different mentality in play — maybe it's the same person — but it's a different mentality.

Equally important, as they are developing their campaigns, they need to pull us into those conversations so that we continue to focus on that first moment-of-truth when someone is transitioning from a consumer to a shopper.

Contessa: From an internal aspect, our shopper-marketing group works hand-in-hand with the marketing group to ensure that the message — and all the elements of the brand — are correctly communicated to the consumer at the shelf.

You need to make sure that the brand marketing strategy is aligned with the shopper-marketing execution. So, one should not be doing something that's different than the other.

Retailers are getting better at this, too. They are picking a few activities, like Susan B. Komen, for example, that are appealing to marketers and that they want to get involved with.

Goggans: We've learned over the years that the alignment has to happen right at the beginning. Again, it's an integrated marketing process. You have to bring everyone together right up front: the consumer, the shopper and the customer. And that's not easy.

At Kimberly-Clark, we have 100 years of great consumer learning, but we're just breaking the surface of great shopper learning. So, we have to collaborate and have that seamless

integration of consumer and shopper right from the beginning.

Wittemen: The key question is: Where are decisions made on your brand? And, based on that, how do you align your brand equity plans with your shopper-marketing programs and integrate your trade funds against those marketing plans?

That *has to include* actionable shopper insights, which can be used with strategic customers on a customized and localized basis. It also has to include funding for communicating and connecting with shoppers inside the retail environment. In that case, shopper marketing is better aligned with marketing.

If that's not the case, then you need to put a process in place to align and integrate shopper marketing with marketing, make it a strategy and use insights to innovate on a retailer-specific basis. You then fund the plans according to where the

insights into their most valuable shoppers, present a brand campaign that we are investing "x" millions of dollars in, and make it work to achieve their objectives.

We make the campaign live differently at, for example, Best Buy, so that we drive more traffic as well as conversion in their stores. That is a very good conversation. It happens very early on in our annual planning or key initiative sell-in, and it's the best opportunity to collaborate.

Contessa: The best opportunities are to blend our brands with whatever retailers are trying to drive. So, for instance, in the laundry category — and in most categories — retailers are trying to get more conversion. They want to get more shoppers to go down the laundry aisle and buy products.

They've got to steal shoppers from another store. As a brand marketer, I have to do the same thing,

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MARY GOGGANS

consumer and shopper moments-of-truth are, so you connect with the consumer and the shopper.

Where are the best opportunities to collaborate with retailers?

Newcomer: The best opportunities are when we're talking about big initiatives — either big new technology launches or big selling windows.

We come to the retailer with

because when shoppers come in, my challenge is to get them to buy my brand versus another brand.

It's really about understanding the retailer's strategy to drive that traffic and then how to overlay my brand to help them meet that objective. Retailers need big brands to help drive categories, foster innovation and drive shoppers into those categories.

Goggans: A lot of our customers have joint business planning processes in which we actively participate. Frankly, you can talk about common objectives and

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JAY CONTESSA

goals in everyday meetings with your buyer. For example, our Scott brand team was pursuing something we call “the house of Scott.”

The insight was that when shoppers are buying one category under the Scott brand, they are more likely to buy more categories under the Scott brand. So, we wanted to grow the Scott basket.

A partner of ours, Pathmark, was also looking to grow its paper-category basket. So, we developed some strategies and tactics that were successful for both of us. Pathmark put feature events in place that included all four Scott categories.

The results far exceeded any ads either of us had done together previously. What was really exciting was that the strong sell-through on Scott tissue continued past the event. It all starts from understanding what you’re both trying to achieve right from the beginning.

Wittemen: In terms of specific, tactical opportunities, those would include the product itself, its packaging and the communications. Packaging is one of the best ways to help you achieve your objectives. The packaging gives you a chance to communicate product benefits at the very critical moment-of-truth.

Of course, it’s hard to think of the packaging without also considering product innovation. When you look at the changes in shopper behavior and values over last year, you can’t ignore the implications for your products and opportunities to innovate.

The third opportunity is communications. How do you develop communications that connect with shoppers and change their behavior? Digital presents a major opportunity to collaborate — at home, away from home and at retail.

What are the best opportunities with digital media?

Newcomer: Two-fold: mobile and online. Mobile right now is in the early stages of adoption, but with the rise of the iPhone and the app store, shoppers suddenly have apps telling them where to find the cheapest prices or that let them scan a bar code or text for more information.

It’s just empowering our customers even more, and pricing is going to become even more important as a result. But it will also be about the experience that retailers provide for their shoppers. If that experience is better, shoppers may not drive ten more miles to save ten dollars.

Online is also continuing to be explosive. When I say ‘online’ I am talking about the “friends” space — meaning friends on Facebook, Twitter, and blogs. Social networking is so important because friends give each other advice about products.

Contessa: We recently created a special Facebook application for our Wisk brand. It was called “Wisk-it,” and the idea was that if a friend posted a picture of you on Facebook

that you didn’t like because maybe you had a beer in your hand, you could send the friend a “Wisk-it” to wipe away the photo.

So, it filled a need for the consumer and tied back to the brand because Wisk is about getting rid of dirt; in this case, the picture is “the dirt on you.” We could also develop that idea in-store with displays and other kinds of shopper-marketing activities.

Goggans: We don’t actually jump directly to digital; we start with the shoppers we are trying to talk to and the most effective way to get to them. For example, we used digital media in a fun way with our Pull-Ups brand. It started with the insight that potty training is not fun.

One tactic involved on-pack stickers with an SMS code that moms could use to order a potty training kit. At the same time, she could arrange to get a call from either Cinderella or one of the *Cars* characters to congratulate her child on his or her potty training.

It was interactive for both the child and the mom. We know that moms are 24 percent more likely to use SMS codes than the average person. In addition, mobile is being used more and more in the stores. Kimberly-Clark is continuing to experiment with these types of media.

Wittemen: Digital is more than just technology and a revenue stream; it’s an opportunity to communicate and connect with shoppers. The opportunity goes right to the basic question of where the decision is made and how shoppers want to be contacted.

Mobile phones, in particular, enable you to communicate with shoppers at every point along the

path-to-purchase. We can offer shoppers not only information, but also incentives. We can also record their data and communicate with them post-purchase.

Digital media also allows us to add that experiential, emotional connection at retail. Other forms of communication don't give you that ability to appeal to the senses. You have sight. You have sound. You have words. The challenge is to figure out the best way to optimize that.

What roles must shopper-marketing agencies be able to play?

Newcomer: The shopper-marketing agency, particularly at HP, has to be able to bring together our national and worldwide advertising teams and understand the elements and brief that we give at that level.

It's the investment in consumer and shopper insights that makes the difference between good and great in shopper marketing.

AL WITTEMEN

They then have to translate that into the shopper view.

We also have "tactical execution" agencies that produce our merchandising and our online space. So, the shopper-marketing agency must be able to connect with other agencies within the organization and bring it all together for the shopper-marketing program.

Agencies need to provide the insights, and truly focus on the data coming from the manufacturers, as well as the

retailer, and pull out the key insights. They need to be able to fill any gap with the other findings we have, or the data in the system. The insights piece, to me, is very critical.

Contessa: Agencies need to be able to give us a perspective on lessons learned—not only with what they are doing with us, but also with what is happening out there in general. They have a broader perspective than we do, so there's a lot of opportunity for shared learning.

They can help us with insights into the retailers because they see the retail end in a different light than we do. We only see them from one perspective: laundry. Agencies can bring a perspective across a number of other categories.

The best agencies truly get at the insights and really understand our shoppers at the point-of-purchase. They're doing research studies to try to grab that understanding

of the full gamut of what each retailer is really all about.

Goggans: In a nutshell, our agencies have to partner with us on our integrated marketing process. The bottom line is that they have to understand our brand fully and be able to facilitate executional excellence. It's not like the old days, where they were just executional resources. They actually have to partner right up front with us.

Wittemen: Agencies need to play



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a broad-based marketing role with an emphasis on shopper marketing. That includes forming a partnership to develop shopper insights and creating innovative ideas.

They need to redefine themselves from being functional suppliers of marketing tactics to providers of superior understanding of consumers and shoppers.

It's the investment in consumer and shopper insights that makes the difference between good and great in shopper marketing.

With those insights, you're able to build the bigger, bolder ideas that can dramatically change the business. ■