

Shopper Crossroads

The world is changing at an incredible pace. We are witnessing the latest in a series of seismic shifts in the fundamental means of marketing and brand building. These shifts demand new ways of thinking.

At the epicenter of this movement is the shopper — and with it, the birth of a new discipline: shopper management. This new way forward integrates brand management and shopper marketing.

The Booz/GMA Report, *Shopper Marketing: Unleashing the Next Wave of Value*, calls for change in the industry: “*Shopper marketing has reached a major crossroads. It continues to be one of the fastest growing and most promising areas of marketing spending... But to maintain its growth and fulfill its promise, shopper*

The new way forward is at the nexus of brand management and shopper marketing.

marketing must evolve beyond a siloed, tactical practice and become a strategic capability that is better integrated with other major investments and across the marketing and media ecosystem.”

I couldn't agree more. True integration of disciplines is the only real answer. A shopper management approach would allow shopper marketing to fulfill its potential by letting it become a full-fledged, focused discipline under a larger, integrated umbrella.

Brand management, with its traditional focus on consumer marketing gets its due as well. Under shopper management, both of these masters are well served, in a more holistic manner.

Retailers' rise in power was the first and certainly

the most urgent of the pressures that required brand managers to adapt their approach to marketing. Initially, many brand marketers felt that they were doing right by increasing monies to a few customer marketing people and letting it go at that.

Of course, we have seen this is not enough to stay competitive. To meet the rising demand for sophistication at retail, a multitude of functional experts formed around retailer programming.

Next, the digital age shifted the power base again, this time to the shopper. This empowered shopper is not a passive consumer. She is empowered with nearly perfect price information (which was an abstract concept in economics only 15 years ago!). She has new means for learning about, selecting and ordering goods. And again, a host of dedicated professionals has risen to meet the emerging needs of marketing to her.

As a result of involving a myriad of specialists, the effectiveness of the brand management system has been diluted. Across the industry, thought leaders have been pointing out the obvious dysfunction in the current system.

McKinsey's April 2010 report underlines these problems: “*CPG companies have created fragmented, overlapping structures that prevent brand and category managers — and the companies themselves — from achieving their full potential.*” The problem is that the needs of today's marketplace aren't met by yesterday's management structure. So, companies have attempted to fill the capability gap by simply adding more — specialized — players.

And despite all of the cooks in the kitchen, we are still “ill equipped to handle the world of ‘always on’ marketing in the digital age,” according to former Forrester analyst Lisa Bradner. “Always on” marketing demands that we reach out to buyers on a 24/7 basis, wherever they play, work, dream or shop.

Venues that are “always on” continue to multiply. Today there are social media, apps, retailer websites, coupon sites and web-enabled television, to name a

few. And with every new media outlet, we often have another expert in the room.

This crowd of experts creates more problems than it solves. First, because coordinating efforts among team members is cumbersome, many national brands are slow to respond to changes in the marketplace. Second, brand messages themselves are often not well syncopated. Rogue brand communication results when communication breaks down among the various team members.

Lastly, brands have trouble learning from the dialog with shoppers. The mechanisms for dialog are there but the brands that are adept at listening are rare.

Finally, the impact on the marketing function itself is detrimental. The March 2010 issue of *Forbes* highlights this eroding role: *“The CMO’s role has been reduced to managing this competition of battling resources attempting to force cooperation. This trivializes the role of the CMO, turning this crucial position into coordinator, mediator and arbitrator.”*

Clearly change is needed. The solution is integration. That’s easy to say. But to find our way toward the solution, we should look to the origin of the rift. The rift begins when we artificially separate the consumer from the shopper.

Only an organization splits an individual into two: a shopper and a consumer. Individuals don’t do this to themselves. Sure, sometimes a shopper is a gatekeeper, which means the consumer is a separate person. Even so, people don’t divide their identities into these roles. Neither should we.

As a first step toward true integration, we should marry shopper and consumer functional disciplines under a single marketer, who sets a comprehensive, synergistic strategy for both.

BACK TO THE FUTURE

Once upon a time, brand management was the next big thing. In 1931, Neil McElroy changed marketing forever when he wrote his famous “brand management” memo at Procter & Gamble.

Working on the Camay ad campaign, McElroy was frustrated at having to compete not only with soaps from competitors, but also with Ivory, Procter’s own flagship product. He argued in his memo that Camay and other P&G brands deserved more attention than they were getting.

In addition to having one person in charge of each brand, McElroy wrote, a substantial team should be dedicated to thinking about every aspect of marketing it. This group should attend to one brand and it alone, he said. The new unit should include a brand

assistant, a collection of “check-up people” and others with specific tasks.

McElroy’s memo heralded the birth of brand management and went on to define a way of overseeing a panoply of rogue operatives, all fighting for control over the same resources. Marketing, R&D, finance, company leadership, purchasing and sales all had been fighting for power, all in the name of progress.

Brand management ended the infighting and brought alignment, strategic leadership and vision to each brand within a company. It created a central point where all information could be gathered and processed. It put a captain at the helm, then gave that captain ultimate decision-making authority and responsibility.

Fast forward to 2010, and the dawn of shopper management. I submit that the change happening today is similar in scope to what McElroy’s memo addressed some 80 years ago. It expands the current brand management practice to a higher level that is far more comprehensive.

The shopper management perspective calls for a new leadership role. Just as brand management did decades ago, shopper management sets the stage for a strong leader who presides over everything related to a brand prospect, whether it happens at home, or three feet away from the store, or three inches from the shelf.

In today’s rapidly evolving world, brands require a new type of marketing principal with a new way of thinking and a fresh set of skills. What I’m suggesting is that power be consolidated under a new titled role. Under this approach, both shopper and consumer perspectives get equal attention, and are managed synergistically.

Additionally, the new marketing head, with a more macro view, would be able to eliminate redundancies and fragmentation, allowing for much greater efficiencies.

It’s exciting to be at the dawn of a new era in marketing. The enormous changes in the marketplace have given rise to increasingly sophisticated tools and skill sets. The craft of marketing has a bright future. ■



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