



SHOPPER MARKETING

How to increase purchase decisions
at the point of sale

Editors: Markus Ståhlberg and Ville Maila



Book Shopper Marketing

How to Increase Purchase Decisions at the Point of Sale

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Recommendation

Shopper marketing is a rapidly growing concept in sales promotion, but how can you put it to work? Marketing consultants and editors Markus Ståhlberg and Ville Maila, and 35 other shopper-marketing experts, offer almost three dozen essays that detail how this tactic works, outline its benefits and explain how to implement it. *BooksInShort* strongly recommends this definitive shopper-marketing resource. Its mix of savvy insights and suggestions from those on the front lines of retailing will appeal to product and brand managers, packaging experts, display designers, merchandising specialists, retail and manufacturing marketing and sales executives, as well as students of marketing, merchandising and selling.

Take-Aways

- //The increasingly comprehensive data the internet supplies about consumers makes “shopper marketing” possible.
- Realizing that at least 20% of in-store purchases are unplanned, shopper marketers build sales by connecting with people inside stores as they make buying decisions.
- Retailers control marketing to these on-site patrons. Suppliers must dance to their tune.
- Yet customers exercise the ultimate authority, so marketing must be “shopper-centric.”
- The buyers’ “journey” includes several stages, from “awakening” to “homecoming,” that provide opportunities for retailers to interact with them.
- Customers’ personalities vary, as do their complex reasons for making purchases.
- Strong window display design is crucial to engaging buyers, but few retailers do it well.
- Compelling packaging is one of the most efficient ways to market products.
- Shopper-marketing tactics include product and brand identification, retail environment, disruptive offers, tailored products, in-store TV and buyer “enticement.”
- In-store marketing to consumers must overcome barriers in budgeting, leadership, research, measurement standards and acceptance of innovation.

Summary

The New Emphasis on Shopper Marketing

Shopper marketing, Wikipedia says, means “understanding how one’s target consumers behave as shoppers, in different channels and formats, and leveraging this intelligence to the benefit of all stakeholders, defined as brands, consumers, retailers and shoppers.” It is also called “marketing at retail,” as well as “first moment of truth marketing, red zone, category management or collaborative marketing.” Whatever you call it, shopper marketing is the new rubric for engaging buyers, catering to the attitudes they bring into the store and creating interactive shopping experiences for them.

“Shopper marketing represents the ‘next wave’ in the evolution of retail marketing concepts and methods.”

Such retail marketing, which includes point-of-purchase promotion, is expanding more rapidly than internet advertising. That’s somewhat ironic, in that the internet is the very information source that enables such extremely specific consumer targeting. The web makes remarkably comprehensive shopping data available, spurring the rise of shopper marketing. Retailers now have the information to develop valuable insights about their customers. For example, research indicates that at least 20% of shoppers make their brand selections at the store. When planning your shopper-marketing activities, think of your customers as “heroes” on a quest or a “journey” to buy something. They generally go through these stages:

- **“The awakening”** – Mass marketing sparks consumers to become shoppers.
- **“The call”** – These advertising campaigns serve as a “call to action.”
- **“The crossing”** – In-store consumers leave their homes and travel to the stores where the goods they want are sold. The crucial crossover occurs when the patron enters the store or, in the case of online shopping, when he or she clicks on a specific sales website.
- **“The path”** – “Brand impressions and the shopping environment” have their maximum influence at this stage. Of course, shoppers have brand preferences long before they enter stores or go to websites, but the shopping locale presents distractions and obstacles.
- **“The reckoning”** – Shoppers consider which products to purchase.
- **“The prize”** – They make their purchase, the reward at the end of their quest.
- **“The homecoming”** – Buyers take their prizes home. If their acquisitions fulfill their wishes, the shoppers may inform their friends, family and colleagues, who then may commence their own quests.

“The primary element missing from most shopper marketing programs is the shopper.”

Shopper marketing’s ultimate aim is to increase sales. One approach is to bring the buyer closer to the product by using strategic placement in the store, halting his or her progressions through the aisles by communicating excitement about a product and giving the shopper a justification for making a purchase. Shopper-marketing practitioners work to develop “innovative promotion mechanisms that provide high value to shoppers with low, fixed” marketing expenses.

“Connecting with shoppers in the store at the point of decision is the new imperative.”

As shopper marketing becomes more prominent as an advertising method, manufacturers must understand that retailers call the shots. One name will help you understand this essential truth: Walmart. If a manufacturer’s display does not meet Walmart’s specifications, the company won’t use it. Walmart now wants different brands to collaborate. Other retailers are sure to follow its lead. As this becomes more of a trend, adjacencies will become increasingly important, for example, placing an antibacterial soap display in the pet food aisle. Brands are everything to manufacturers, but retailers don’t worry as much about brands as they do about improving their customers’ overall shopping experience. For national brands to succeed in this retail environment, they must become part of each retailer’s particular shopping solutions. The lesson: To stay ahead, manufacturers must spend more on merchandising.

Do Your Store Windows Work for You?

Enticing display windows are crucial to shopper marketing. Modern consumers process visual information much more rapidly than earlier generations, so store windows and displays must catch their attention. A store window must immediately deliver essential information: What is the shop’s “core market”? Is it suited to the customer’s “personal style”? How much time will shopping take? Windows should engage passersby, perhaps by telling a story or a joke, trading on a political message or trying to “relate history.” Unfortunately, strong window design is rare. Frequently, retailers clutter windows with too many products, instead of letting their windows tell a story or make a strong impression to draw shoppers.

Shopper-Marketing Methods

To be successful in a store, brands must have distinct identities. Make your product easy to find by using a highly visible in-store fixture with great “location, scale and visibility.” Display the brand prominently on your shelf or rack. Make your product stand out from the norm, as Apple did when it introduced the white iPod amid a crowd of silver and black music players. The remarkably “compelling retail environment” in Apple’s tempting stores demonstrates “enticement,” another way to draw shoppers. Apple is so successful in this regard that people routinely line up in front of its store on New York City’s Fifth Avenue. “Disruption,” which is also a shopper-marketing strategy, calls for interrupting another brand’s message with a superior offering, such as “buy one, get one free.”

Do You Know Your Customer?

No matter what shopper-marketing strategies you use, you still must understand who your customers are. In a study called “The world according to shoppers,” the North American Coca-Cola Retailing Research Council identifies nine different shopper personality types:

1. **“The keeper”** – Supplies a home with food and other vital goods.
2. **“The quartermaster”** – Has a personality that is similar to the keeper’s, but doesn’t like shopping and is hard to please.
3. **“The banker”** – Is budget-conscious and responds to good deals and low prices.
4. **“The seeker”** – Sees shopping as “discovery” and is always ready to try new things.
5. **“The desperate shopper”** – Will leave if you don’t have a specific, targeted item.
6. **“The reluctant shopper”** – Hates shopping and rushes through it.
7. **“The bargain hunter”** – Only buys when you – or your competitor – cut your prices.
8. **“The courier”** – Is a “grab and go” shopper with a short list based on “speed and price.”
9. **“The hungry shopper”** – Buys something, like cigarettes, to fill an immediate need.

“You should engage and convert shoppers. But you also need to focus on the shoppers who aren’t engaged and aren’t converting into buyers and understand why this is.”

Base your shopper-marketing decisions on the personality type that fits your retail environment. In addition to having various personalities, shoppers often make purchasing decisions based on a complex variety of other factors. For example, while price always matters, contemporary shoppers are more conscious of health, diet and nutrition, and increasingly want to buy food and other products they perceive as healthful. Many consumers now want to know where their food comes from and whether it is sustainably produced and local. Thus, consumers want labels that convey a lot of information – though environmentally conscious buyers are also demanding less packaging.

Wrapping the Package

As famous products, such as Coca-Cola, Tide and Absolut vodka, prove, packaging – the “fifth P” added to the classic marketing mix of “product, price, place and promotion” – is “your most efficient marketing investment.” Many companies use it as their sole form of advertising. In the retail environment, packaging is the only communication medium the supplier still controls. Take advantage of that control by devising smart packaging that stands out from the crowd.

How Much Does It Cost?

Price continues to be critical for shoppers, but even retailers who spend fortunes on pricing analysis continue to invest relatively little on explaining their prices to customers. An effective in-store “price communication” program should:

- Develop “holistic themes” that tell shoppers how to take advantage of the sales.
- Display tags prominently, including those that “compare against national brand” prices.
- Use technology that “facilitates targeted pricing,” like “kiosks, touch-screen shopping carts” and mobile phone programs that promote deals to customers in the store.
- Compare your price communication program against your competitors’ messages.

Tailored Shopper Marketing

Savvy retailers use “tailing,” a process of designing, customizing and structuring their sales efforts so that shopping blends seamlessly into their customers’ lives, like sleeping, eating or working. For example, take Boots, a British pharmacy, health and beauty retailer, that operates more than 2,600 stores. The typical London commuter may pass two or three Boots shops daily. Boots works to carry the exact goods its customers want so it becomes a vital part of their lives.

“As a group, marketing departments have been slow to accept shopper marketing.”

“Retail media” reaches shoppers with direct, in-store television networks. Sometimes this is very successful. Perhaps because some 138 million people roam Walmart’s aisles each week, Walmart TV is now the U.S.’s “fifth largest media network buy,” that is, the fifth biggest advertiser purchase. Unfortunately, many retailers place and program their in-store network units with little forethought. Busy shoppers won’t stand uncomfortably in front of a screen to watch a 30-minute cooking show. However, in-store programming has forced retailers to rethink how they communicate with buyers so they can take advantage of these networks to put highly targeted messages in front of specific customers.

Barriers to Successful Shopper Marketing

Given the exceptionally wide variety of available media, consumers – not advertisers – ultimately control messaging. Customers decide which “marketing experiences” to heed. Retailers must realize that consumers turn into shoppers as they enter stores, and then they have a wholly different mindset. To gain busy shoppers’ attention, savvy retailers must engage them. For example, a parent may be happy to find that the store has placed all its “healthy dairy products for children” in a special refrigerated section. Retailers should focus on such shopper-marketing concepts, but that would require overcoming these common barriers:

- Budgets and hierarchies emphasize “old priorities,” not in-store marketing.
- Marketing executives lack shopper-marketing expertise.
- Companies do not conduct enough shopper research, and so “lack real insight.”
- Most retailers have no standard for measuring “in-store activity.”

“Retailers as well as producers still have very little interest in learning more about their shoppers.”

Transforming a retail setting into an active media forum is difficult. Retail outreach is not “turn-key” or ready-to-use, like advertising; it requires extra work. Retailers mostly think about building sales, not about using “their stores as true media,” though this may “monetize” their space.

“To really understand how people shop, there’s no substitute for going shopping with them.”

The dearth of knowledge about shoppers, even given the advantages of web research, leads to expensive waste in unwanted products and short-term retail improvements that do not improve customer loyalty or enhance shopping. Companies must become “shopper-centric.” Instead of trying to change buyers’ behavior, they must change their actions to match what customers actually do. Don’t ask, “How can I make shoppers more loyal to my brand?” Instead, ask, “Am I focusing most of my efforts on the shoppers who matter most?” Don’t wonder, “How well did that promotion lift sales?” Instead, ask, “Did that promotion engage our best shoppers in the short term and the long term?” Don’t worry about “How much did we sell last week?” Instead, find out “Who bought what we were selling last week?” Put the shopper at the center of your thinking.

“All consumers will eventually arrive at the point of purchase.”

Shopper marketing works best when trading partners align their strategies and goals. For example, a premium supermarket chain that wanted to increase its penetration among targeted customer segments worked with a compatible supplier that had just introduced a new product line and wanted to attract those particular shoppers. The

two companies collaborated as trading partners, working together on “goal setting, planning and execution.” As a result, their pull percentage increased dramatically, as did their “long-term penetration” of the targeted categories.

About the Authors

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