



Oblique is one of Retail World's longest standing contributors. It has a strong, established reputation within the industry for being a leader in shopper marketing, shopper insights and category management; it was and still is – the pioneer of all things 'shopper' and 'category' within Australia. As preferred shopper partner for many of the top FMCG players within the industry, it is known for its leading edge, relevant and actionable solutions. Its recommendations are proven and most importantly, have delivered significant sales growth for retailers, brands and categories alike.

In this series of articles on 'Shopper Marketing', Oblique draws upon its extensive shopper experience, as well as its huge shopper database – Shopperpedia – to bring you understanding, real life Australian case studies and a global perspective on what it means to go beyond the surface of 'shopper.'

Series:

- Part 1: Shopper Marketing: Latest craze or simply the next phase?
- Part 2: Shopper Marketing: The critical five degrees of separation.
- Part 3: Shopper Marketing: Brands or world of sameness?
- Part 4: Shopper Marketing: Retailing or apathy?
- Part 5: Shopper Marketing Forum: Your opportunity to have your say. Please contact us to post your view. Entries will be anonymous: shoptalk@oblique.com.au
- Part 6: Shopper Marketing: New Year's resolutions and predictions for 2009.

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Author Overview:

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Part 2: Shopper Marketing: the five

It is essential for marketers to recognise the five-step 'path to purchase' journey the shopper engages in and employ

In the previous article we introduced shopper marketing into the Australian FMCG arena. The key message, when comparing current industry practice within Australia to the new global standard, was the need for us to make a change in the way we market to and target shoppers. Here is a 'step-by-step' guide of how to achieve this.

There are five degrees of separation between your business and the next sale but unless it is focused on each of these five sale points equally, it will fail to realise this opportunity. This means understanding the following key areas: the path to purchase (P2P) journey; the alignment and divergence of consumer and shopper marketing; and best-in-class examples.

The P2P journey is important because it illustrates the points of influence on the road to category growth. Ignoring some of these touch points, (NB: discussed last time), was possibly appropriate in the dizzy heydays of captive audiences and super brands, but not now.

In Australia, (NB: 2005 figures), only 39 per cent of any day is spent interacting with commercial TV. This doesn't take into account the number of eyeballs that may be watching but not actively viewing. We no longer wait to be told what to do or think. We seek, sift and (unfortunately for marketers), ignore information.

Effective targeting means maximising the penetration of your brand message at every touch point on the P2P journey. Some shoppers do follow this journey in chronological order, but most drop in and out at various stages. Regardless of what your category's P2P journey looks like, we must be cognisant of the fact that every touch point represents a different shopper mindset. They are facing different problems along this path and require a different solution to be applied – the USS (Unique Shopping Situation).

What is delivered and how it is delivered is one of the key differentiating factors between shopper and consumer marketing. The two are obviously linked but appropriateness of delivery along the P2P journey illustrates clear alignment and divergence points. As discussed last time, this will require a dual approach to marketing going forward within the industry. The ideal would be two owners with clearly differentiated KPIs and skill sets. Let's look at some examples to explain these alignment and divergence points further:

Ponder: The shopper mindset at this touch point (see Figure 1) is about: promise; reason why; and fit.

I've started with 'ponder' as it is about creating

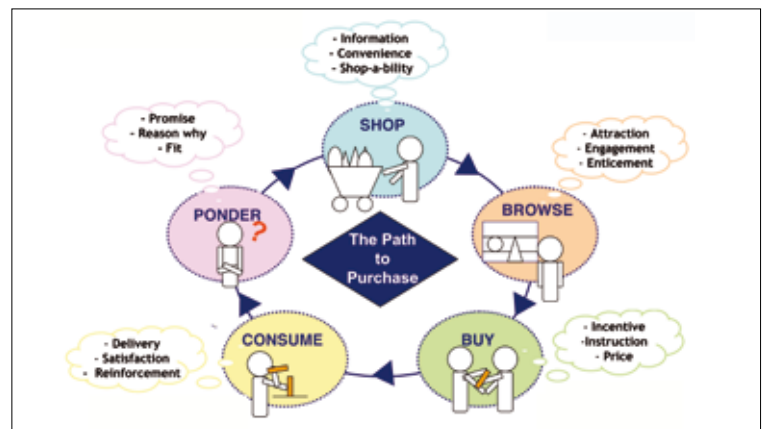


Figure 1: P2P: The Path to Purchase Journey. © Oblique 2008.

the desire and the most familiar territory for most of us. However in my experience much activity is used to penetrate the shopper at the 'ponder' point without any factual understanding of which activities are better than others. In order to help in this, I would recommend that when your business sits down to work through better targeting the 'ponder' touch point, build groups similar to what is shown in Figure 2. These groups will help to identify if the activity actually belongs in this touch point or further along the journey.

“What and how it is delivered is one of the key differences between shopper and consumer marketing.”

Secondly, you need to distinguish between what has been used in the past vs. what is effective in driving volume or value growth. If your list is any longer than three or four key tactics, I'd take this as a flag to hone and distil.

Thirdly, align what you have identified as effective to the category vision message, eg. if insights highlight that word of mouth between mums is the key 'ponder' moment then TV is probably not the most appropriate tactic.

Let's look at a case study example using the nappies category. In nappies, Shopperpedia* tells us that the majority of shoppers are fully engaged in the ponder, shop and use touch points. For shoppers, 'use' = does as it is supposed to, 'ponder' = brand promise that it is the best at doing what it is supposed to and 'shop' = who's got my brand on special this week? On the flip side, shoppers do not engage at the 'browse' or 'buy' touch points because the decision on brand rarely changes. In possession of these insights, what we would expect to see as shoppers in the P2P journey are activities that

target this behaviour. So what do we see? Lots of advertising and price promotions. In critiquing this P2P we can conclude that advertising should work well. Questionable is possibly the overuse of TV vs. other options. Also questionable is the proliferation of price promotions. The shopper is fully engaged at the 'shop' point, so price promotions should work well to drive traffic from store to store. However the traffic going from store to store is simply to get their preferred brand at a cheaper price, therefore not much value or volume growth for the brand or category is being

achieved by this activity.

Shopping: The shopper mindset at this touch point (see Figure 1) is about: information; convenience; and shop-a-bility.

Unless 'browse' occurs, (see later), at this point the shopper knows they want to buy in the category. This is when

consumer marketing should hand the reins to shopper marketing.

Again, let's use an Australian case study example to illustrate this further – the cold beverages category. Shopperpedia tells us that shoppers buy in bulk when purchasing in the supermarket. We know that heavy products eg. 24-pack cans squash other items in the trolley. If shoppers are limiting how many cans they purchase because they are afraid that they will squash their bananas, then this touch point is not being maximised for cold beverages, ie. sales.

Communicating to them while they are in the car (radio advertising) or as they enter the store (advert on the trolley), to remind them to buy their 24-pack before other items are examples of shopper marketing. Talking to the shopper at the 'shop' touch point about the USS of Coke or Fanta is not wrong, but reminding them to buy before their fruit and veg is more appropriate.

Browsing: The shopper mindset at this touch point (see Figure 1) is about: attraction; engagement; and enticement.

critical degrees of separation

this philosophy in their approach to shopper marketing. **Oblique** writes.

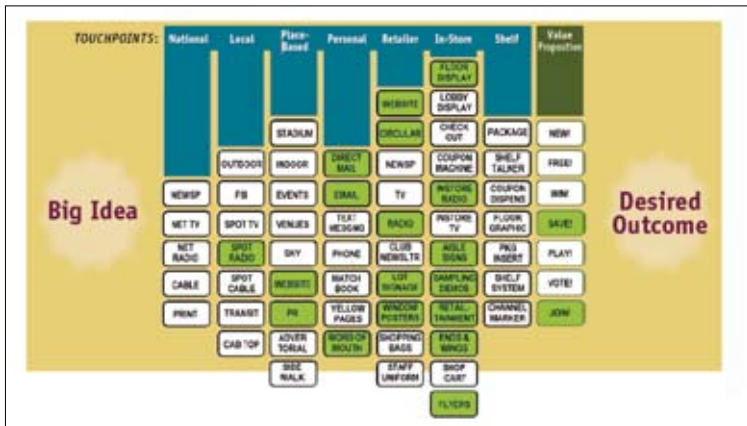


Figure 2: Excerpt from 'Make big ideas happen at retail' Source: *The Hub*.



Figure 3: Example of a maximised 'browse' point.

The other week I spoke to a chef in the Hunter who gets up at 3am on Mondays to drive to the markets in Sydney. Given that one of our favourite pastimes is eating and drinking, why is the supermarket shopping experience so disengaging in Australia when it comes to the 'browse' touch point. Figure 3 illustrates examples of how supermarkets are maximising 'browse' globally.

'Browse' is a touch point that typically sees the marketing ownership transfer from consumer to shopper. It is also the touch point where I have seen the most amount of failure due to the shopper's mindset being overlooked. What belongs in 'ponder' finds its way into 'browse' too often. If your consumer marketers come to life during the monthly sales presentation, you can bet it's because sales have started talking about the shopping experience. The outcome of this is usually a no-go proposal that leaves manufacturers complaining that the retailer won't do anything outside the square and retailers complaining that manufacturers don't live in the real world. At the 'browse' touch point, the shopper is in the store being bumped by other trolleys. This is not a calm moment, so why do we bombard them with the same messages? Attract, engage and entice are key to 'browse' maximisation and this means relevant messages. **Buying:** The shopper mindset at this touch point (see Figure 1) is about: incentive; instruction; and price.

The shopper is teetering on the edge: will they or won't they? Tipping points differ from category to category and will change depending on where the category is now and where it needs to get to. Using another example*, why are the most promoted items within the supermarket the core, staple lines? Shouldn't it be the opposite? Wouldn't it be better to try and tempt me to buy something that I don't normally buy? Most gondolas around the supermarket feature the biggest brands and the most popular products, but what about new items? As we have learned

already, the supermarket is becoming a key communication site and what we are saying within Australia is 'same old'.

Consuming/Using: The shopper mindset at this touch point (see Figure 1) is about: delivery; satisfaction and reinforcement.

With eight out of 10 new products failing within the first six months of launch, the industry still has a long way to go in terms of the 'consume' touch point. I hear the phrase, 'we've tried that and it didn't work'. I love this phrase because product failure analysis = keys to future product launch success. In every case that I have analysed, there is always one – and usually several – very clear reasons why a product fails:

- We couldn't supply the two weeks that it was on TV and there was no support after that;
- We were charging a premium price point and delivering a mediocre product;
- It wasn't really NPD, simply a line extension and there were too many varieties on the shelf;
- The recipe tested well, but we had to change it for the launch because we couldn't source X ingredient for the right price; or
- Shoppers couldn't open the pack without spilling the contents, etc.

"Product failure analysis = keys to future product launch success."

If your business were to analyse the 'what specifically didn't work' in the past five to 10 years of NPD launches, I guarantee that your NPD pipeline would be secured in one afternoon. 'Consume' is the one and only step in the whole P2P journey that is completely within our control.

Hopefully now you can see why implementing a P2P journey focus within your business is so important. You should see how and why your marketing function needs to evolve beyond consumer into shopper and maximise

the aligning and diverging touch points. I'd like to finish off with a case study that highlights best in class shopper marketing. It is an example from Unilever in the US and comes courtesy of *The Hub* magazine in the US. I think it is best in class because it is built on solid insight foundations, the focus is on the execution of one big idea and finally, the idea is completely transparent across every key touch point on the P2P journey.

The challenge

Slim-Fast had to re-establish the benefit of long-term lifestyle changes and the fact that Slim-Fast offered a line of products, easy-to-use tools and continuity support programs that could help. The vision was a 12-week (long-term) diet program, 'The Slim-Fast Challenge.'

Total shopper communication

Based on research indicating that the brand's prospective shoppers were likely in-car radio listeners, the plan included 'live reads' by local disc jockeys as well as live-remote broadcasts from local Wal-Mart stores. Inside the stores, shoppers were greeted by 'brand ambassadors,' offering 'free personal success kits,' educating

site. Importantly, Slim-Fast was able to build a database for future communications along the way. In short, Slim-Fast's shopper marketing media plan was designed to reach and motivate shoppers at every conceivable touch point along the way to a purchasing decision.

Retailer collaboration

Slim-Fast persuaded Wal-Mart to support the initiative by designing a program that addressed two core Wal-Mart needs: 1) build traffic in the pharmacy department; and 2) present a health-related platform to the Wal-Mart shopper. One challenge was to stay within strict parameters of Wal-Mart's 'retailtainment' directives, given the sheer magnitude of this event. Slim-Fast made 3500 personal calls to every one of Wal-Mart's locations the week prior to the event, and remained in continuous communication with Wal-Mart headquarters personnel throughout the campaign. Store personnel and headquarter staff were educated on the program, and a 'Mini Slim-Fast Challenge' was offered to all headquarters associates prior to launch, complete with posters and buttons. The tight working relationship between Slim-Fast and Wal-Mart was critical to the success of the program.

Bottom line

- Shopper loyalty: 250,000+ shoppers signed up for the challenge, committing to use Slim-Fast products – a 50 per cent overachievement of objective.
- Retailer compliance: 98 per cent of stores ran this program in its totality – topping the industry standard of 60 per cent.
- Brand sales: Same-store sales increased 22+ points, reversing the brand's downward trend.
- Shopper marketing ROI: The program delivered twice the objective, 2:1 short-term return on marketing investment. 🛒

*Taken from *Shopperpedia*. *Shopperpedia* is the largest shopper behaviour database within Australia and is owned by Oblique.