



Part 5: Shopper Marketing Forum: Your questions answered

In this article, **Oblique** draws upon a collection of your questions and comments regarding 'shopper marketing' which have been sent in throughout the year.

Oblique is one of Retail World's longest standing contributors. It has a strong, established reputation within the industry for being leaders in shopper marketing, shopper insights and category management; it was — and still is — the pioneers 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 the only in-store shopper behaviour metrics and benchmarking database within Australia — 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? (Published June 23 issue)
- Part 2: Shopper Marketing: The critical five degrees of separation (Published August 4 issue)
- Part 3: Shopper Marketing: Making it happen (Published September 1 issue)
- Part 4: Shopper Marketing: Brands or world of sameness? (Published October 13 issue)
- Part 5: Shopper Marketing Forum: Your opportunity to have your say. Please contact us to post your view. Entries will be anonymous: info@oblique.com.au
- Part 6: Shopper Marketing: New Year Resolutions and Predictions for 2009. Please contact Amanda Howe at Oblique directly to find out more: 02 9452 7777.

Author overview:

Amanda Howe is a top level industry thought leader and is known for her considerable strategic outlook as well as her ability to deliver day-to-day practical solutions.

She works with many of the key FMCG players as a management consultant and is a business coach for some of the highest level sales and marketing executives within the Asia Pacific region.

This article is a collection of your comments and questions that have been sent in during the year. Thank you all so much for your contributions. Also, please accept my apologies to those of you whose questions do not appear ... unfortunately we didn't have enough space in the column to include them all!

Is there really a difference between the consumer's and the shopper's view of the category; aren't they the same person after all?

First of all, one shopper represents a whole household, (in 85 per cent* of cases), and therefore in FMCG speak, the shopper is the 'decision maker'. In addition to this crucial distinction, the best way to answer this question is probably to run through a real life case study from Shopperpedia.

Let's look at the confectionery category to start with. Confectionery consumers tell us that they love this category; it's indulgent, comforting, naughty and exciting. From a consumer's perspective therefore, this category is 'grouped' with other categories echoing the same sentiments, eg. ice cream, biscuits and skin care to name a few. As these categories are 'grouped', learning can be taken in terms of techniques and communication strategies in the 'consume' and 'ponder' touch points in the P2P (see figure 1), confectionery could learn from what is working well in the current Tim Tam Lovers 'what more could you wish for?' advertising for example.

Another 'group' for consumers are categories such as toilet paper, bread and dishwashing products. This group however is quite different as it represents necessity, need and everyday for consumers. These groupings explain the core principles of 'category role' in a traditional category management sense, eg. destination, core, convenience methods of segmentation. This segmentation however does not go as deep as it needs to because it doesn't account for how the groupings (and therefore the comparative sets), change when the consumer goes shopping and becomes the shopper. When shopping, it's no longer about what people think it's about what they do.

Continuing with the same example therefore, although confectionery and dishwashing products belong to two very different consumer groups, shoppers interact with the fixture just as much in dishwashing as they do in confectionery. In addition, promotions are more likely to change behaviour in confectionery compared to dishwashing. Although

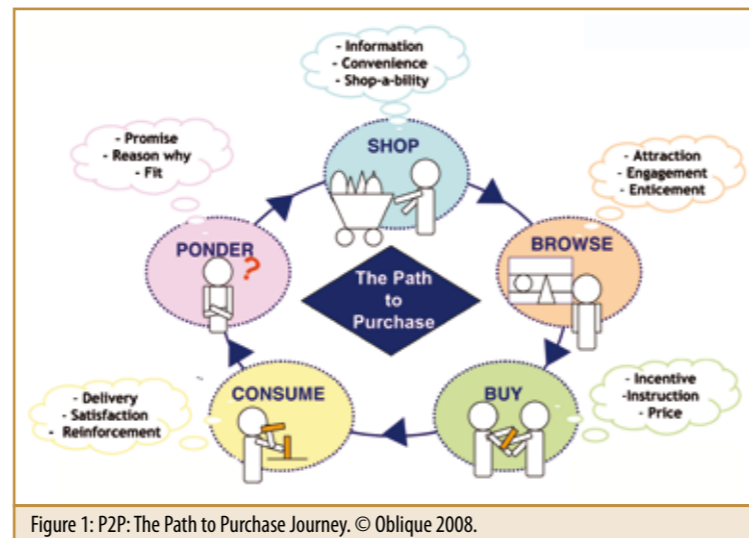


Figure 1: P2P: The Path to Purchase Journey. © Oblique 2008.

confectionery is an emotional category for the consumer, shoppers engage no more with it in the store compared to dishwashing. What this means is that the benchmark categories for confectionery change depending on whether you are targeting the 'consume' and 'ponder' touch points, or the 'shop', 'browse' and 'buy' touch points.

Most within the industry understand the role that their category plays for the consumer, but not for the shopper. In previous articles we have discussed how this manifests in terms of consumer-based POS and in-store solutions and the reason for this is to a large

"What people think (the consumer) and what they do (the shopper) can be very different."

degree down to our 'round peg square hole' approach to the role that the category plays. In a nutshell, when people are sat at home talking about confectionery = what they think = the consumer's view. When people are in the supermarket shopping = what people do = the shopper's view. This case study hopefully answers why the consumer's view of the world and the shopper's view of the world are different and equally important.

How does shopper research differ from consumer research? Is shopper research just a fad that will pass?

In order to capture the truest understanding possible, research methodologies must be designed to accurately capture the different views of the consumer and the shopper. Specific methodologies will change depending on research objectives but typically consumer methodology is about opinions and attitudes whereas shopper methodology is about real

time behaviour and influences. Consumer methods need to be designed in such a way as to observe and then understand the consumption experience, eg. watching them use/open the product, how it tastes, how it feels/makes them feel, etc. and qualitatively can range from focus groups to sensory panels. Quantitatively the most common method of consumer research is an online survey. Online research has become very popular in the past 10 years because it is very cost effective and it is a really good method of getting people to tell us what they think and feel. However, as we have just discussed, what people think (the

consumer) and what they do (the shopper) can be very different and therefore using an attitudinal-based method (online survey) to try and understand shopper behaviour is flawed because it is not the real world and the true picture.

Shopper methodology needs to capture what people actually do. Qualitative video or manual observations and tracking, in-depth discussions at the shelf, and (to a lesser degree) shop-alongs work well. Quantitatively however, there is only one solution; in-store research. Observing what shoppers are actually doing and then asking them about what you have just observed them doing is key for any quantitative shopper research. The following case study illustrates the risk of ignoring the importance of this.

'Australian made' researched very well for consumers of category X; they said that 'Australian made' was very important to them and they spend time seeking it out at the shelf in this category (and others). Analysis of this, 'what people think' perspective would deliver recommendations to: make it more obvious on

Key steps	How to?
Shopper vision session	Get the team together and build/share the vision for shopper and get their input
Knowledge gap assessment	Work with key knowledge owners in the business to assess current knowledge and identify holes in understanding
World of possibilities session	Work with the key team members to prioritise these identified knowledge gaps. Prioritisation factors will differ from business to business, but you should focus on keeping everyone on track by asking: <ul style="list-style-type: none"> • Is this a 'nice to know' or 'need to know' piece of knowledge? • How will we use this piece of knowledge once we have it? • What will be the estimated ROI from this knowledge? This assessment should include consumer, customer as well as shopper in order to provide a holistic perspective
Identifying type of research needed	You will need to decide whether the knowledge is required on a comparative or depth basis. For example, if you find through your assessment that there are no 'burning' issues — your business simply has limited shopper knowledge and wants to 'be sure' all is OK, you may want to consider a shopper metric benchmarking offer. This would allow you to see your category/categories in context and help identify any opportunities and risks. However, if you have identified some key knowledge gaps, a depth study is the way forward as this will really flesh out why this is happening for your shoppers and what you need to do about it
Conduct due diligence and engage a partner	Be very clear with your objectives and focus on providing the chosen partner with the answers that you need rather than the questions that you want them to ask on your behalf. You will obviously need to assess the appropriateness of the methods proposed based on what type of research you require, eg. in-store versus on line methodology for example. In addition, you will need to consider whether you are looking for an agency or a business partner in your choice, ie. is the focus for your business more about the delivery of the insights or the support in terms of what to do with the insights once you get them, as this distinction requires two very different approaches
Knowledge centre ownership	Set up a company knowledge centre (intranet is good for this) and own/update this as new knowledge is acquired. Be sure to make your sources clear for each piece of knowledge so that internal people can go off and look at the sources in more depth if they want to. The workload for these updates could be shared between the consumer/customer insights managers if they exist too.

the pack, or: support local producers more, etc. However, in-store research showed that virtually no one reads the pack at the shelf, the mean time at the fixture is 15 seconds and price is the only thing shoppers look for when they get to the shelf. The result was a launch that ended in deletion 12-months later due to poor units per store per week.

So, are people lying to us? Not at all, most are simply unaware of how they behave when shopping and when asked out of store what they do, they revert to what they think, which may or may not bear any resemblance to the real world. Shopper now accounts for almost 40 per cent of the market research consumer

— shopper budget as more and more businesses realise that shopper understanding is critical.

As a newly installed Shopper Insights Manager, do you have any suggestions for how to go about engaging the business in shopper and establishing priorities?

The fact that the business has made an investment in this role is a good start as it sends a clear message as to the focus of the business. To build on this, consider the steps in the table above:

How do I ensure that a shopper research project doesn't just gather dust on the shelf like other research projects that we have conducted in the past?

There are a number of reasons why it's currently gathering dust, you just need to work out which one/ones to overcome next time:

- The research is a 300-page door stopper dump of data that sends shivers down your spine every time you glance in its direction.
- It's full of data and not insights and practical recommendations for what to do with the information.
- It was conducted by someone working largely in isolation and the wider team is not engaged or aware that the information exists.
- It is under the protection of someone else in the organisation who thinks that sharing the knowledge with the wider team is 'dangerous' because of 'how it could be interpreted,' (aka: they are afraid that someone else might come out of it with a different perspective to the one that they want them to have).

It reports elements of bad news and therefore it's been swept under the carpet.

- It was conducted at a time when there was nobody to actually get into it and take ownership of the findings.

These are the key reasons that we tend to come across for project apathy and the good news is that they are all surmountable based on what we have already discussed. The bottom line for any research project is engagement. The more people that want the insight, that can understand it and can easily use the findings in their day-to-day jobs, the better. A single research project will have many pertinent points and the pertinence will differ from person to person and week to week. Your role as a Shopper Insights Manager is to facilitate the delivery, availability and updating of this information to your internal customers and to ensure that it comes to life everyday and makes a difference to your brands and shoppers.

The below questions are answered in 'quick response' mode due to space limitations. Please contact us if you would like to discuss further.

What's the point of doing shopper research when the trade don't listen?

In our experience the trade do listen and incidentally also make the same comments. The problems with implementation are around speaking the same language, being on the same page and delivering an appropriate solution to the problems identified. If your business is fed up with the retailer not listening to the fact that you need to off-locate your glass pasta sauce in the meat section, or not allowing you to build a 3ft in-store theatre that sticks out into shoppers as they are shopping, then maybe you need to think about changing the proposed 'solution'. You need to get down to the basics and identify when the 'not listening' occurs, ie. do they not

trust what you are telling them? Typically, if the trade aren't listening, it's because you're not listening to their needs and your 'solution' is actually a 'headache' to them.

Does the competitive nature of FMCG preclude collaboration and cooperation between manufacturers?

There are obvious sensitivities — and some very real legal guidelines — about collaboration. The key is to be able to find a way of collaborating on the overall direction and strategy requirements for a category and then each player going off and developing the best solution. This will ensure your time is spent efficiently by focusing your efforts in the right areas.

My research budget has been slashed, how do we go about getting the best bang for our buck in the current 'spend carefully' economic climate?

Prioritisation is key — consider the following budget-saving tips:

- Break the research into more bite size chunks. Doing each step at a time will enable you to have more control over the project, it will deliver more flexibility to introduce/remove elements as you go through the study step-by-step as well as giving you the opportunity to demonstrate to the business the need for more budget, (or in fact that they were right and you didn't need to do a huge study in the first place!)
- Look to share the cost. Sharing the cost with competitors or non-competitors is a great way to get your hands on the full monty study without having to pay for it all yourself.
- Piggy backing or combining studies can work at times to find out a couple of key things without having to go to the expense of setting up a study yourself.

How can I ensure I am on top of and am recommending the latest thinking in shopper and industry best practice to the business?

- Some things that you could do:
 - Network with colleagues to find out what is going on in their world.
 - Join industry shopper events to hear the latest thinking.
 - Challenge your shopper insights partners/providers to keep you abreast of news and ideas.
 - Read Australian and global trade press to see what others are doing.
 - Global shopper conference (if your business is prepared to do this) can be a good way to see what's going on as well as being able to visit some different types of stores and get ideas.

*Taken from Shopperpedia; the only in-store shopper behaviour metrics and benchmarking database within Australia. 🛒