

RESTORING THE STORE

The retail store is often, an under-leveraged marketing medium, as far as fast moving consumer goods go. This despite the fact that from the moment a shopper enters the store until the time she leaves the checkout, she's an ideal captive audience for any marketer.



More than two-thirds of packaged goods shoppers make purchase decisions within the store, where they are influenced by a variety of marketing vehicles, according to new research conducted by OgilvyAction. Over 14,000 shopper interviews were conducted in 700 retail outlets across 24 markets globally. The OgilvyAction study, conducted

earlier this year, spanned five retail channels across six product categories to examine how shopper decisions differ across shopping channels, product categories as well as brands, and how those decisions vary by country and shopper profile. Three findings indicate that in-store marketing can sway a purchase decision:
- Nearly 30 per cent of shoppers around the world wait

until they're in the store to decide which brand they will buy.
- In addition, one in ten shoppers simply change their minds in store and buy a different brand than what they had planned.
- Perhaps most significant is that almost 20 per cent of shoppers will buy from categories they had no intention of buying from before entering the store!
Armed with in-depth shopper

insights, brand marketers can make better strategic investment decisions and use the store space more effectively as a vehicle to build sales and equity in their brands.
In emerging nations such as India, the growth of modern retail formats is often accompanied – and indeed, driven by – a proliferation of brands across categories. However, such explosion of

goods and services at retail premises leads to an element of clutter at the front end. Consumers are often disoriented and confused about brand qualities, functionalities and pricing equations. From the manufacturers' side, there is also increasing concern about connecting with the consumer in an effectively stand-out fashion in this highly competitive environment.

at the point where the buying decision can be influenced for the final time. Traditionally, brands have used multiple media to generate curiosity. These include visibility through different Above-the-Line (ATL) vehicles such as TV, radio, print, outdoor visibility, and Below-the-Line (BTL) elements at retail, direct mailers and call centres. While the effectiveness of these strategies varies based on different parameters, the common feature is the "act of soliciting" without any "person to person touch" forming the basis of interaction.

"Over that past three years in India there has been a steady increase in the number of brands vying for consumer attention in each product and service category. While there has been a perceptible enhancement in services being offered at retail, both, in neighbourhood and structured markets, the consumer is getting more demanding and expecting better information from the brands to take conclusive decisions about their purchases at the Point of Purchase," says Rajiv Gupta, managing director, LeagueOne Marketing Services.

The key challenge for brands in addressing this set of consumers base is to build "curiosity", leading to "impulse"

There are five major in-store marketing tools. The first is brand graphics. These consist of large size posters or advertisements hanging over or in front of aisles. They are inexpensive to produce and have a relatively short life. Food supermarkets will often employ this type of in-store promotion. A second tool is the use of Plasma screens to show commercials or other messages from the brand. Upscale stores, department or consumer electronics stores for example employ this marketing

HYGIENIC FLOOR DISPLAY

Johnson & Johnson used innovative in-store tools to help sell a sensitive product

The category of feminine sanitary products always requires sensitive handling of communication – be that via electronic, print or point of sale.

Johnson & Johnson, maker of the Stayfree brand of feminine hygiene products, following the launch of a range of high-efficiency, ultra thin sanitary napkins, Dry Max, needed to communicate the key benefits of the innovation while integrating a product demonstration at retail points with the POD design. The company roped in RAMMS India Pvt. Ltd, a leading marketing consultancy, to develop a retail marketing strategy that would connect with the end user in the most effective manner.

Following discussions between the two parties, it was determined that the need to educate the consumer about the distinctive features of Dry Max was important, but had to be executed without putting off the more sensitive shoppers.

Accordingly, the RAMMS team crafted a communications package that was facilitated by several retail merchandising and display tools: Floor Standing Units – free standing structures that could be customised to any shape or size with graphics to suit, Shelf Strips that could easily snap easily into the price rail of stores, in-shelf display units and Wobblers- small units that could be stuck on to any display surface in the store to draw attention to the product.

Sunil Jugade, design manager at RAMMS, says, "We had graphics extending from head height to the floor saying, 'Night sky with the moon', which communicated the all-night functionality of the product. A pillow with the legend 'Good night for a fresh morning' completed the story."

"We also incorporated a flap in the header that the shopper could lift to see and feel the product – as compared to a competing brand," he adds.

Taking the message forward were subtle in-store shelf messages that aimed to position Dry Max as a category captain. "Tips for consumers – such as 'Drink a glass of warm milk', or 'Sleep early' – rounded up the theme of the new product as one that guaranteed its user a comfortable night's sleep even during those uncomfortable days of the month," Jugade explains. ■

tool which is reusable and more refined than paper posters. A third technique is strategic shelf space arrangement, for example to highlight a new launch/ packaging (see box on

Johnson & Johnson for such a utilisation). Live do-it-yourself (DIY) demonstrations are a fourth tool. Appliance stores and food stores often offer such demonstrations to familiarize

IN-STORE METRICS

The Nielsen Company is releasing a tool that will allow retailers to measure the effects of in-store promotions

The Nielsen Company, as a result of its successful P.R.I.S.M. (Pioneering Research for an In-Store Metric) pilot, will release in coming months a scalable tool that food, drug, and general merchandise retailers can use to understand which specific in-store media types are most influential in driving incremental sales, margin, and lift.

The tool uses a combination of technology, consumer insights culled from multiple sources, transaction data, and in-person auditors to determine who shops a particular store and what marketing and merchandising activities drive their behaviour in the store.

Its key components are:

- **In-store audience:** Nielsen installs infrared sensors at entrances and exits of the sample audience measurement stores, to provide a store traffic count at any given point in time for each store.
- **In-store audits:** Nielsen auditors conduct two types of sweeps. One is a full store sweep, during which they walk through the whole store

six to eight times a day for seven consecutive days within an eight-week period, counting audiences across each part of the store. This is complemented by continuous store counts, where the auditor stands in one store part and counts all traffic walking in and out of that area.

- **Retailer transaction-level scan data:** Nielsen identifies the relationship between the audience data and the daily sales transaction logs across all categories, across the participating stores.
- **Homescan panel:** The Homescan panel is used in two ways: Homescan panelists are surveyed to determine the demographics (age and gender) of all shoppers on the given shopping trip, and to identify the time and day of that trip, and Homescan behavioral data on cross-retail, cross-category, and cross-outlet shopping is used to create a matrix of frequencies across the different demographics and day parts.
- **Displays:** Any display associated with the licensed category is captured across all store parts. Items on display are captured at the Universal Product Code (UPC) level, and this UPC level detail is coded to the individual brand and category.
- **Shelf media:** All shelf-centric media in the licensed category's primary location is recorded, and Nielsen specialists assign a vehicle to brand.
- **Signage:** All signage throughout the store is captured. As with shelf media, Nielsen specialists assign vehicle to brand. ■

CASE STUDY MARKETING

the customer with a complicated or unknown product. (see Box on Spencer's for such a utilisation). A final technique is strategic positioning at checkout; thanks to such positioning, a shopper in line can become an "impulse buyer".

According to Gupta, an optimal mix of "in-store Above-the-Line (ATL) and Below-the-Line (BTL)" is essential for the consumer to experience the brand promise and differentiation. "ATL media does add to a brand's visibility but does not give the same sense of belonging as a combination of BTL with in-store ATL does," he explains.

"The design of a Point of Purchase programme, now called Marketing at Retail, and earlier referred to as BTL, has undergone a sea change in the manner in which a programme is conceptualised and executed,"

says R Kannan, president, RAMMS India Pvt. Ltd.

According to Kannan, the understanding by brand manager of the retail marketing activity is now broken up into a well thought-out process that involves:

- Shopper behaviour
- Determining the communication/ messaging
- Translating communication to design
- Converting design to economical solutions by way of production
- Executing production into an implementable plan

So, how effective is it?

While some critics believe that in-store marketing exercises enhance clutter in a store by adding distraction and noise to the shopping experience, loyalists affirm that in-store marketing

creates 'atmosphere' and enriches the shopping experience.

Some detractors – like Rob Frankel, a branding consultant and author of "The Revenge of Brand X" – point out that an average person is subjected to at least 3,000 ad messages a day, which means the clutter is blurring ad messages into electronic wallpaper that nobody notices.

In a growing market, where consumers, though sometimes confused by the expanding range of offer, are also not averse to being informed on a category innovation, in-store marketing does help push consumption in new or slow moving categories, thereby allowing retailers to raise per square foot sales.

Most experts believe that retailers and manufacturers need to align their interests – at least, to a certain degree – to

propel consumption and sales in as many categories as possible. An in-store activity necessarily requires a partnership of some sort to take off and show results. In the current Indian scenario, strategically executed in-store marketing programmes can result in greater transparency of shopper and sales data, which can be exploited to develop insights into future marketing exercises at the point of sale.

"The point of sale is the new media – a far cry from the days when brand managers' imaginations were limited to television or print advertising. The retail store is where one can most effectively convert a shopper into a buyer," Kannan points out. ■

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SHOW AND TELL

Spencer's uses a Chef's Corner to familiarise their customers with their exotic products

One of the India's major retailers, Spencer's, uses experiential retailing to push consumption in certain food & grocery categories. Spencer's tagline at its food counters is "Taste the World", and this message is quite prominent for all to see at all its stores across India. At its larger stores, the chain includes a "Chef's Corner", which houses what is called a "Live Kitchen".

Live Kitchen is an innovative strategy to push consumption in certain foreign and exotic grocery counters, and it reflects an interesting initiative by a retailer to partner with manufacturers in an in-store promotion exercise.

The idea is to give consumers a "live" demonstration of the preparation of certain cuisines – Thai, Chinese, French and Italian, to state a few examples – and following that, also to guide them on the ingredients and raw materials and their availability in the store.

According to Spencer's, this retail activity has not only generated additional footfalls and incremental sales, but has also helped to position the chain in a differentiated manner in an increasingly me-too



marketplace. The experience also allows Spencer's to constantly add new features to the Kitchen, and explore newer ways to reach out to consumers through highly engaging, interactive means of promotions. ■