On Shopper Marketing

*A conversation with **G2** chairman and CEO, **Joe Celia***

What is the future of building brands through retail?

What we're seeing is the tip of the iceberg as the retail environment begins to gain prominence as more than just a tactical channel for price or value promotions.

Marketers now believe that they can not only use the retail channel tactically, but that they can also use it as an environment to build lasting brand value that goes beyond a momentary promotional effort.

How will that change things?

It will provide the opportunity for retail to transform into a true media vehicle, just like an out-of-home billboard, a radio or TV spot or a newspaper or magazine ad.

However, before that can happen, marketers have to understand and distinguish consumer insights from shopper insights that are based on specific consumer dynamics that take place at retail.

How is shopper media different from consumer media?

The way shoppers experience messaging in the retail environment is specific to the retail environment and is not the same as the way they experience other media.

For example, someone who is shopping is rarely standing still, and will not stop to watch a 30-second television commercial. In addition, the shopper is in a different mindset in the store as compared to that of the consumer sitting on the couch watching TV. So, the message content needs to reflect where the shopper's mind is at the moment a purchase is being considered.

What makes measuring in-store media so challenging?

One of the big tricks with measurement at retail relates to the vast number of potential permutations. There are so many different types of formatting you can employ — everything from full-on, audio/visual, down to the most basic shelf-talker. Location within the store is a variable, as are the category, competitive activity and store traffic.

The challenge is about understanding the differences in messaging impact among the various alternatives for communications at retail. Once we overcome the hurdle of a universally accepted metric, it will lead to quantitative, accountable measurement and a standard pricing system for the media.

Is the goal to measure retail media just like other media?

Yes. One of the reasons that magazines and television have been able to sustain their business models is that, by and large, the marketing community has agreed that the measurement techniques adopted by the third-party syndicated measurement systems are acceptable and used by all.

Up until now, the retailers themselves have been selling the media with little quantitative support for its value; it is in their interest to attempt to value that media as highly as they can. When there is a uniformly accepted GRP for retail media, that will be a game-changing event.

Are there other obstacles to optimizing retail media?

The prejudice that retail is purely tactical runs very, very deep within the cultures of marketers and their agencies. In the agency world, retail communication has been the ugly stepsister of traditional advertising, which is far sexier and in a sense a far more natural platform from which to communicate and build brand value.

In all candor, the best strategic and creative talent in the world historically has not resided in agencies that do retail work. Those agencies traditionally have been very workmanlike, tactical, third-string alternatives to "real" communications, which have been created at advertising agencies.

Will retail ever have the same respect as advertising?

While we may live to see the day when the marketing communications world looks at retail as the pinnacle of creativity, it won't be anytime soon. The fact is that in the foreseeable future branded communications in video format will continue to be the most efficient and effective way to deliver brand value or brand building to a marketer's audience.

The real issue is not the death of advertising as we know it, but simply some degree of shift as other channels become more and more viable as the dynamics of the marketplace change. It would be naïve to expect that a major quantum shift in terms of the perception of retail is likely anytime in the foreseeable future.

But we're probably not far from a tipping point where, all of a sudden, everybody gets it or at least pretends to get it. The pendulum will swing retail's way for a while. Everybody and their brother will be on the retail communication bandwagon. It'll get used, abused, overused, and then the pendulum will swing back.

Which retail programs are you currently most excited about?

A lot of the things we're most excited about we're doing around the world with Procter & Gamble, but as you might imagine we need to respect client confidentialities as these programs are being developed.

I can say that in the U.S., we've been producing some breakthrough initiatives with clients such as The Absolut Spirits Company, in addition to the programs we have developed for our largest global client — BAT — who have been at the forefront of retail communications for over a decade.

A lot of our most exciting work involves developing communications that are designed expressly for the retail environment — where we're not starting from some other format and then adapting it for retail.

The exciting thing is that we're taking it all the way from the insight perspective to the creative development and design of the message platform — it's all about retail from start to finish.

Does that involve changing store formats?

It can. We sometimes work with retailers and marketers to create "be-spoke" areas within retail environments, based on shopper insights. For example, if the shopper is in the mindset of hair care, we might make a modification to the retail environment to better match shopping behavior.

In the past, hair care products might have been found in three or four locations in the store, because both retailers and manufacturers categorized things based on how they transacted business, not on how the consumer shops. So, for example, the shampoo and conditioner were not necessarily with the hairbrushes, even though shoppers probably think of those things as going together.

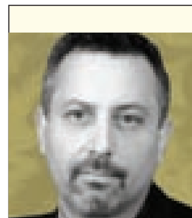
The opportunity is to work with retailers to capitalize on the way the shopper thinks. The result is that if the hairbrushes are put in the same place as shampoo and conditioner, the retailer will sell more of all of those things.

What are the most important things to understand about retail?

One is that the most compelling message that a shopper will hear in a store is not necessarily identical to the most compelling message that a consumer will hear at home on television — or at any other place with any other medium.

Number two, the way that you deliver a message or message content to shoppers — the format in which you do it — isn't necessarily the same format that you would use to deliver a message to consumers if they were in their living rooms or somewhere other than in a store.

Third, there's some out-of-the-box thinking that can be done with retailers. One of the interesting dynamics is this inherent tension between the retailers and manufacturers — they're allies and competitors at the same time. But if they work together, it will be a win-win for themselves and for their shoppers. ■



JOE CELIA is vice-chairman, **Grey Global Group** and chairman & CEO of **G2 Worldwide,** Grey Global Group's network of capabilities in branding and design, direct marketing, interactive, and shopper marketing. Joe can be reached at jcelia@g2.com.