

# Shopper-Centric *success*

It's like being a mini General Manager without the authority. That was how the head of shopper marketing at a major consumer packaged-goods company described her job to us last month.

She went on to explain that the job requires her to work with virtually every department in the company and often convince them to disrupt their normal procedures to make shopper marketing “work” in their organization.

It's a tough job, but she stays because she knows shopper marketing is making a difference. *Reveries.com* survey respondents agree with her. Virtually all respondents with experience in shopper marketing report one or more significant benefits they would not have achieved without shopper marketing. For example, 43 percent cited “improved sales”; 32 percent “better meeting shopper needs” and 30 percent “improved retail customer relationships.”

The indications are that none of these companies was able to achieve these results without considerable disruption to traditional approaches. When asked, “What changes, if any, has your company made to overcome the [internal] barriers to the success of shopper marketing?” — all respondents reported that their companies did various things that significantly changed the game for most departments.

Thirty-nine percent said “required that shopper marketing initiatives are now an integral part of the annual brand planning process,” while 29 percent said “re-engineered to assure close internal and external collaboration and alignment on shopper marketing initiatives.” (see table 1)

The message from these responses is that shopper marketing cannot be treated as a bolt-on. To become truly proficient at shopper marketing, one must now be prepared to cope with core changes that involve the entire organization — Sales, Marketing, Market Research, Customer Marketing, Advertising, Consumer Promotion and even Manufacturing — the

latter to the extent that one's shopper marketing initiatives extend to packaging and pallet changes.

According to the survey, most (80 percent) companies do not succeed in these types of endeavors. This is because they think that just restructuring boxes, responsibilities and communications process flow plus adding a little training will be sufficient.

What they do not anticipate — or don't feel it is necessary to address — is the underlying, broad resistance to these types of changes that inevitably comes from those with a vested interest in preserving the status quo.

Actually, this is so common that change-management experts have been able to codify this resistance into five common barriers.

**Barrier #1.** *I don't know where we're going with this, so I'll keep doing what I know.* Other ways in which this barrier manifests itself are represented in the following quotes from the *Reveries.com* survey:

*“This may be fine for a company like P&G or Unilever, but I don't see how it applies to my brand.”*

*“I don't really get the difference between the shopper and the consumer. It's a given that all consumers shop so what's the big deal?”*

*“We have been meeting our objectives for five straight years without shopper marketing...and we're not about to blow up our organization for something as indefinite as attempting to grow share through retailers.”*

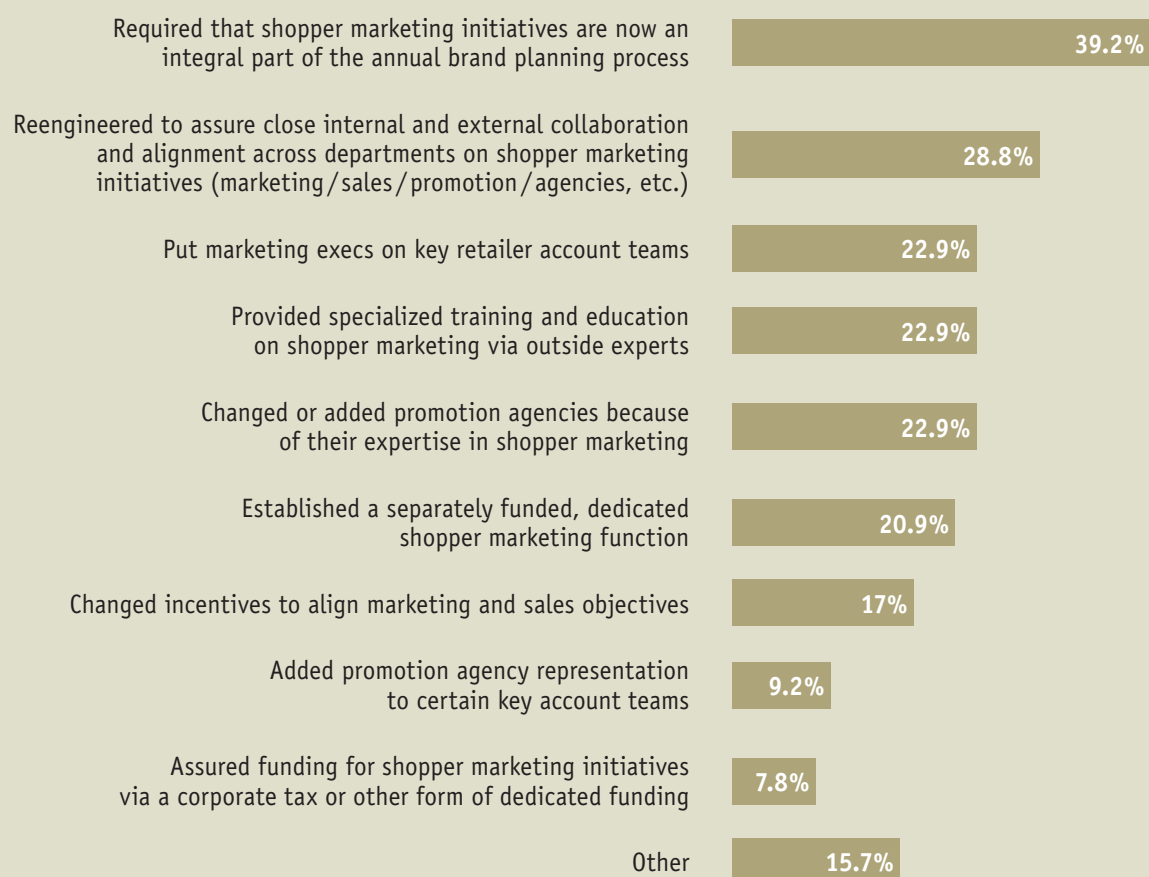
These comments are typical of people when first exposed to a new initiative where they can't see the benefit to change. They literally fog out. It's called the first wall of resistance.

How does one overcome this first wall or avoid change and what success will look like. With respect to shopper marketing, this means top management understanding of — and commitment to — the concept, and a clear vision of why marketing to one's target

## 5 barriers to shopper marketing and how to address them.

BY CHRIS HOYT  
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**TABLE 1.**  
**What changes, if any, has your company made to overcome barriers to shopper marketing?**



SOURCE: *Reveries.com*

consumers as shoppers as opposed to just consumers is important.

The vision should be kicked-off with an initial, eye-opening and attention-getting event that lets people know it's not business-as-usual. One company did this by dedicating its entire annual meeting to shopper marketing, while another insisted that all employees shadow shoppers on different types of shopping trips.

The vision must be communicated through multiple mediums, repeatedly and often over an extended time frame. Systematic, top-down attention must be focused on the initiative until it becomes part of the D.N.A. of all stakeholders. In uncertain times, people look for role models and examples of what the new performance looks like — smart leaders know this and publicize those efforts in every forum possible, such as town halls, e-mail memos or small celebrations.

One must then translate the overall strategy so that employees, at every level, understand how it applies to their jobs and benefits them to extend their knowledge base and learn new skills.

*Bottom Line:* Because shopper marketing — if done correctly — requires new learning and

behavioral change of almost all managers and employees in almost all frontline departments, it must be sold-in through a way that makes everyone want to achieve its objectives and willingly participate.

**Barrier #2.** *When those people over in "Frozen" get on board, then maybe I'll join in.* Shopper marketing is particularly difficult to plan and implement in companies that organized into separate operating groups because it requires that these groups fully integrate to succeed.

In these types of environments, people often have a "what's-in-it-for-me?" reaction when confronted with the idea are often are most concerned with what they might lose — whether this be autonomy, control, resources or just plain personal comfort. A parochial view emerges that puts the interest of their particular operating group ahead of the interests of the company.

In addition, there can be an inherent resistance to change, particularly if they are already meeting objectives. Sometimes, an elaborate rationale is constructed as to why their brands are not suitable to be portfolioed — and marketed — with those of other operating groups.

Meanwhile, the initiative bogs down because it doesn't get the full support of a leadership team acting as one voice. People, lower down, sense the dissension and hang back, saying, "If they can't agree, I'm not going to risk my career on this." Resources get held up, diverted, or otherwise committed, and the general confusion often leads to inertia

To avoid this resistance, top management must be sure that all operating groups are on board and committed to the success of the initiative—flesh out all issues and objections before the launch.

Insist that all operating groups present a unified front—not only to their own organizations but also to the rest of the company in total. Have frequent review meetings with operating-group leadership to assure continued cross-departmental integration and to stay on top of problems and opportunities.

In addition, reinforce corporate commitment by providing the right resources to the right people. If necessary, make personnel changes that signal to the rest of the organization that the company is committed to shopper marketing and fully intends to see this through.

*Bottom Line:* Top management can't just give lip service to shopper marketing; they have to be hands-on and actively drive the effort.

**Barrier #3.** *What do you mean I have to start working with retailers?* That's not in my job description! For most companies, the biggest hurdle with respect to getting an effective shopper marketing program off the ground is getting Marketing on board.

In fact, more than 55 percent of the respondents to the *Reveries.com* survey on shopper marketing noted that one of the most important factors in becoming an effective shopper marketing organization is "Marketing Department understanding of the strategic potential of retail and pro-active participation in developing shopper marketing initiatives."

Why has this proven so difficult for some?

With the difficulty in reaching one's target consumer today—caused by media fragmentation and consumer perception of marketing overload—marketers are looking at all varieties of alternative media. One would think that marketing in the one place—the retail store—where they can be assured of reaching 100 percent of their target consumers at least four times per month at a time when consumers are focused on selection would command at least as much of their attention as cell phone or blog marketing.

Marketing involvement has proven to be particularly challenging for some because Marketing has remained so steadfastly removed from retail. Marketing Departments, in many companies, have abrogated responsibility

to Sales for developing consumer insights for category management recommendations.

With respect to shopper marketing, the reality is that it cannot be successfully planned or implemented without informed Marketing Department participation and cross-functional collaboration.

Because shopper marketing inherently involves retail, and because many in marketing are trained to view anything having to do with the word retail as tactical, they default the effort to Sales and pay little attention to it. This is why so many companies make the initial mistake of forming a dedicated shopper-marketing department comprised solely of salespeople and then compound it by having the department report to Sales.

Anticipating and avoiding the negatives associated with this barrier requires a corporate commitment that elevates shopper marketing to the same level of importance traditionally ascribed to consumer (brand) marketing. It also demands the re-training and re-education of all Marketing Department personnel on the role retailers can play in helping them achieve their objectives.

Shopper marketing initiatives must become an integral part of the annual brand planning process—cited by *Reveries'* survey respondents as the most important step that shopper marketing practitioners have taken. Methodologies and tools that help break traditional thinking should be provided and marketing executives should be put on key retailer account teams as a prerequisite to general management responsibilities.

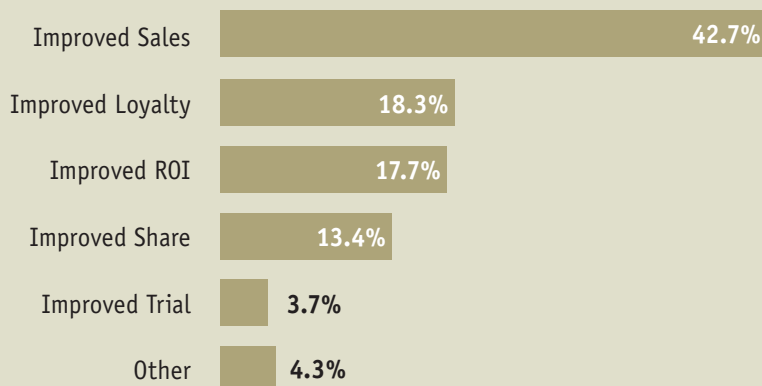
*Bottom Line:* Marketing must become aligned with the business imperative through new organizational structures and skills.

**Barrier #4.** *I'll join this effort as long as I still get my comp and bonus the way I'm used to.* This is where many implementation efforts fall down—not measuring and rewarding people's performance in line with the new, required goals.

People are very rational and efficient with their time. They essentially say, "It's not what you tell me to do, it's what you measure me on that counts." For example, top management undercuts their efforts when they tell people they must now collaborate across functions but still reward people on individual performance for achieving the same goals as in previous years.

As a result, people may pretend to go along but, in the end, do what they know will affect their wallets and even their promotions. The mixed message again confuses people and they go back to their default setting (*i.e.*, what has worked before).

**TABLE 2. What does shopper marketing “success” look like in your company or client, in terms of hard benefits?**



SOURCE: Reveries.com

Beyond the impact of formal reward systems, which are sometimes difficult to change, leaders make the common mistake of ignoring more informal rewards. These can include public recognition of actions, both at the group and individual level, which specifically demonstrate the new skills and business performance that are desired.

*Bottom Line:* Align the formal compensation/reward system closely with the new strategy while using the power of informal rewards.

**Barrier #5.** *This too shall pass.* It’s a fact of life that most employees have lived—even suffered—through many business initiatives in their careers. Two that come to mind immediately are DPP (Direct Product Profitability) of the early ‘80s and ECR (Efficient Consumer Response) of the early ‘90s—both now defunct, although initially positioned as great panaceas. It is as a result of these types of initiatives— plus many others that are corporately sponsored and then not followed through—that employees become cynical and call them the “flavor of the month.” This is the second wall of resistance—passive-aggressive cosmetic compliance. “We’ll go along until the rah-rah wears off, then it’s back to business as usual.”

This begs the question of whether shopper marketing is going to go the way of DPP or ECR or whether its potential justifies the relatively significant investment companies will have to make to become truly excellent at it—an investment to which we have briefly alluded in this article.

For those who are still in the throes of making this decision, know that because profitable shopper marketing is data-base driven, the lead your competitors have established will be difficult to overcome. For every year your competitors gain experience with shopper marketing, they are that much further ahead in knowing what works and doesn’t work for their brands in specific accounts and formats and

in knowing the types of initiatives that deliver the highest return-on-investment.

It is for this reason that once one decides to embark on a shopper marketing strategy, sustainability becomes imperative. Ways to address:

- Use all of the tools previously mentioned—a clearly articulated vision, attention-getting corporate kick-off, ensuring that all leadership is on board, constant training, retraining, education and follow-up, aligning incentives with objectives and frequent recognition of accomplishments.
- Continually re-calibrate the objectives so that they always stretch participants and keep the momentum strong. A common, frequent error in this regard is declaring “success” too soon in an environment where people may just be doing the minimum to show they are cooperating. As soon as management turns it focus away, the organization lapses back to its old behavior.

*Bottom Line:* Keep the momentum going and always be on the lookout for new, hidden barriers. Re-calibrate the effort and keep the hammer down. ■



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