

Average to Apples

BY AL WITTEMEN

ADVANTAGE RETAIL

Think back to the last time you went grocery shopping. You were looking for peanut butter and jelly. What did you see? If your experience was like mine, you saw a blur of products and prices that did little to help you make a decision.

How did that make you feel? If it made you feel anything at all, you probably felt turned off, or possibly even confused. Or maybe you just reached for the brand you always buy and continued on to the salad dressing section... which looks exactly the same as it did in 1975.

Oh, and look—there are the Cheerios, still being displayed at two-for-a-price, too.

My point is that most grocery, drug, mass or club aisles are selling products at prices and in places that do not engage shoppers or evoke their emotions. That is, unless you consider frustration to be an emotion you want your shoppers to have.

In the last issue of THE HUB, I wrote about leading-edge supermarkets like Ukrop's, Wegmans and Stew Leonard's, which pose a threat to traditional packaged goods by emphasizing fresh and prepared foods, and by creating a sense of theater in the store ("Get Fresh at Retail," Mar/Apr 2007).

The reader response was terrific, although a number of people pointed out that those stores are not yet the norm. One reader said, "Great stuff, Al, but what about the rest of my business?"

So I took another field trip, this time visiting "average" supermarkets like Kroger, Tom Thumb, Stop & Shop, Shaws, Shop Rite, Albertson's and Safeway. I also visited other "average" channels such as CVS, Walgreens, Wal-Mart, Target, Costco and Sam's.

Then, to add some perspective, I spent a full day at an Apple store, observing the "geniuses" in their native habitat.

Along the way, I spoke with more than 100 shoppers. I wanted to find out how they engaged with brands, and how the shopping experience made them feel about themselves. This is important because brands invest so heavily in researching how consumers *think*. And, yet, based on what I found, very little of the benefit of that kind of research is in evidence in the stores.

WHAT SHOPPERS SEE

What shoppers see is lots of duplication — more products than anyone could ever need. As one shopper told me, "I can only use one toothpaste at a time!"

The consensus among the shoppers I interviewed was that it's difficult to navigate the store, hard to differentiate between brands and nearly impossible to assess product benefits. Many complained of frustration with the complexity of promotional offers or about too much advertising altogether.

In short, shoppers told me that if they think they're getting "commodity" products at a value, they will buy those products there. But they do not feel good about their experience and will go elsewhere to fill most of their other needs.



What the average brand could learn from the Apple brand about the shopping experience.

One shopper I spoke with in the pet-food section at a Kroger store said, “How pet food is presented here should be a direct reflection of how I feel about my pet... and they obviously don’t understand that!” She said she makes a special trip and buys her pet supplies at PetSmart instead.

Shoppers are tuning out. Worse, they are exhausted by their shopping experience when they should be energized. That’s what happens when you force shoppers to *think* about getting low prices when what they want is to *feel* good about what they’re buying.

It’s not all that hard to do. You just need to make them feel you understand their interests, needs and that you’re communicating with them on that level. You need to make them feel good about *themselves*—and not just about your brand.

Obviously, you can’t put a chef in the vegetable aisle at an “average” store the way you might at a Wild Oats or Safeway Lifestyle store. But you *can* do sampling, offer recipes or at least take the point of view that your job is to help shoppers do something other than just open their wallets for you, and maybe flash a loyalty card at the cashier.

Who does that best? Why, Apple, of course! What does Apple have to do with the “average” supermarket? More than you might think.

THINK DIFFERENT

It all starts with *how* you think about it. For inspiration, consider this quote from Apple CEO Steve Jobs: “People haven’t been willing to invest this much time and money or engineering in a store before... It’s not important if the customer *knows* that. They just *feel* it. They *feel* something’s a little different.”

When most people talk about Apple’s stores, the emphasis tends to be on the way they look. That is understandable, because whether the store is in a mall somewhere or on Fifth Avenue in midtown Manhattan, Apple’s stores look anywhere from great to amazing.

But that’s only part of what makes the Apple stores so impressive—and I would argue that it is the least important thing to consider, at least for the “average” retailer.

When Steve Jobs talks about how consumers “feel something’s a little different,” he’s not just talking

about the atmospherics. He’s also talking about the way the store is organized and how the shopper is treated.

Here’s the key point: Apple’s stores are organized around shopper interests and not around how Apple is organized internally around its products. The focus is on allowing shoppers to “test drive” the products and discover their endless potential.

What Apple recognized was that the computer was evolving from a simple productivity tool to a “hub” of video, photography, music and information. The sale, then, is less about the product than *what you can do with it*.

As Steve Jobs has said, “It’s about creating a buying experience as good as our products.” It’s not just about putting stuff on the shelf.

If you think that a consumer packaged goods brand can’t really apply any learning from Apple, think, for a moment about where Apple learned how to create its shopping experience.

Apple learned about quality service from Tiffany’s... about creating a friendly service experience from the Four Seasons Hotel... about dispensing advice in-store from watching the best bars serve liquor... about fixing broken laptops quickly by studying the best dry cleaning operations.

Just as Apple looked outside its own realm of consumer electronics retailers, consumer packaged-goods companies should look outside to Apple:

- Shoppers preferences, purchases and repeat business is driven more by the emotional experience of the retail shopping environment than products and prices.
- Shoppers have more energy and are more likely to “get engaged” when the store/department is organized around their interests and needs.
- Shoppers who *feel* valued spend more time in the store and they buy more!

INSIGHT OUT

The key is to stop looking at your brand as a product that sits on a shelf and start looking at your shopper from inside your brand out—the way Apple does.

Only then can you make shoppers feel good through your product, its packaging and the way it

To create buying environments, look inside the store and triangulate

Shopper

- ▶ Attitudes
- ▶ Buying habits
- ▶ Reasons for shopping
- ▶ Purchase drivers
- ▶ Influencers

Understand the ideal experience and how to provide it

Retail Space

- ▶ Point of difference
- ▶ Business objectives
- ▶ Marketing opportunities
- ▶ What works
- ▶ Operations and culture

In the place where the decision to buy is being made

Brand

- ▶ Build brand in-store
- ▶ Deliver value to retailers *and* to shoppers
- ▶ Communicate in restricted/cluttered space
- ▶ Holistic solutions

To get your product off the shelf and into the cart

is merchandised. That will never happen if all you do is sit in your office, doing research about how consumers think about your products.

Brand people spend all of their time on the four P's, thinking about consumers and how they think about their brand. Get *inside* your brand and look out at your shopper. What is the shopper doing and why? Where should I be and what should I look like to attract that shopper? What can I say about my product, package and merchandising, promotion to motivate my shoppers to choose my brand?

To answer those questions, you need to look inside the store and triangulate between the shopper, the retail space and the brand. Understand the ideal experience and how to provide it (the shopper), in the place where the decision to buy is being made (the retail space), in order to get your product off the shelf and into the cart (the brand).

Why bother? Because shopper-experience marketing builds brands, and delivers *return on investment* — it builds enduring, profitable businesses — not short-lived sales spikes that often dilute brand equity over time.

- **The Brand:** Yes, you build your brand's image with the retail environment, but you also pay it off by increasing profitable sales.
- **The Shopper:** Remember, shopper-experience marketing keeps the shopper in the store longer, and more time spent in the store — interacting with *your brand* — means more money spent at the cash register.
- **The Retailer:** The shopper-experience marketing approach is not only more effective because it creates a point-of-difference for the retailer, but

because it makes more productive use of every square inch of selling space inside the store.

For proof, let's take a look at Apple one more time, this time its sales per square foot:

Apple Stores	\$4,032
Tiffany & Co.	\$2,666
Best Buy	\$930
Neiman Marcus	\$611
Saks	\$632

Among "average" supermarkets, sales-per-square foot is about \$500.

The bottom line is that the future belongs to those marketers and those brands that can find innovative ways to enter and enable the lives of their shoppers.

It is not complicated — in fact the simpler the better — but a new outlook is required. And I mean this literally — a new "out-look." Instead of looking at brands from the outside, marketers must get inside their brands and look out at their consumers as shoppers.

Until marketers do this, their brands will lack the perspective necessary to reach out and engage the retailer's shoppers. ■



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