

# Points *of* Innovation

**M**arketers don't necessarily adopt the *shopper's* perspective when they attempt innovation, but they should. Innovation's focus, historically, is on the *consumer*, brand preference and product consumption or use.

The innovation process therefore tends to center on things like product features, benefits and package design. There isn't anything inherently wrong with that, except that the result too often looks more like a line extension than a true innovation.

When that happens, the outcome is not growth but just the opposite—a delisting by retailers who are increasingly focused on eliminating duplication in the merchandise mix. Retailers understand that more is not necessarily better when it comes to product choice, and increasingly see themselves as being the “editors” of the shopping experience.

The last thing you want is to find your brand on the retailer's “cutting room floor.” If you are interested in using innovation as a driver of growth, you need to start looking through a very different lens.

In the September issue of *The Hub*, I reported on a study, *From Demand to Purchase: Measuring, Modeling, and Managing Retail Shoppability* by Professors Ray Burke and Neil Morgan of Indiana University, in which they identified eight factors that add up to shopper satisfaction and loyalty at retail. These factors included store layout, the clear communication of product benefits, and streamlined product assortment.

That's what brand marketers should be thinking about when they think about innovations that could really help grow their brands. Innovation is no longer just about how your brands help improve consumers' lives at home; it is also about how your brands help improve shoppers' experiences in the store.

Let's take another look at some of the eight

factors of shopper satisfaction at retail as identified by the Burke/Morgan study, but this time let's explore where a brand marketer might find fresh points of innovation.

**Transparency.** Shoppers expect a store to have a logical layout, with product departments and categories clearly identified. They want products to be organized in a simple way, with related products grouped together. Said differently, they want *solutions*.

This is not a new idea necessarily. The concept of “solutions marketing” at retail came into vogue

a number of years ago, particularly with respect to meal solutions. But relatively few brand marketers have truly capitalized on the opportunity to present their brands innovatively within the larger context of a solution.

This isn't about reconfiguring categories

around the margins, and simply re-arranging the shelves. It's about developing a deep understanding of how shoppers shop and re-inventing categories around that. Look outside the traditional categories and consider creating mini-boutiques around things like special occasions or the environment, for example.

**Convenience.** Shoppers tend to frequent stores that are conveniently located, and easy to access. They also want doorways and aisles that are nice and wide. Obviously, marketers have no control over such factors. But they could contribute to the convenience factor in simple and even unlikely ways—such as improving the shopping cart situation, for example.

At many stores, the shopping carts are stored outside, meaning that they become rain-soaked or even icy in bad weather. A canopy for the cart corral—protecting the carts from the elements and fully emblazoned with the sponsoring brand—would certainly be appreciated by retailer and shopper alike.

The idea would be a natural for Pepsi, Starbucks or another beverage company, who could also

**If you want to innovate like a retailer, you need to think like a shopper.**

install logo-ed beverage cups on the cart as part of a sponsorship—perhaps including hot and cold beverages for sale right inside the front door.

**Comfort.** Among the study’s findings was that shoppers like to have refreshments available in-store. They also appreciate places to sit and relax. Appealing aromas and pleasant music are also a plus. Last but not least, they like a clean restroom! No big surprise there, but it does imply that restrooms at retail often leave something to be desired.

You may recall that Procter & Gamble sponsored something called the Potty Palooza, where they tricked out a 18-wheel semi-tractor into 27 spanking clean bathrooms, fully stocked with Charmin toilet tissue and other P&G products.

Sounds a little crazy but it was a big success. Why not bring the concept (if not the 18-wheeler) to retail on a permanent basis? Not only would it satisfy a shopper need, but it would also present a highly sensory sampling opportunity!

**Relevance.** Obviously, the store should have products in stock that shoppers want, and offer an attractive selection of merchandise, including the latest, high-quality goods at competitive prices. Most important, the store should also carry unique products that can’t be found at other stores.

Some manufacturers do customize products for particular retailers. It’s not unusual to see a particular model of gas grill or lawnmower that you can only buy at The Home Depot, for example.

But you don’t see that kind of customization happening as much in other classes of trade. Why not create special products on a supermarket-specific basis? It’s a real opportunity to create a point-of-difference that shoppers will remember. More important, it gives them a specific reason to return to that store and buy your brand, again and again.

**Surprise.** Costco is famous for treating its shoppers to unexpected bargains as well as nice surprises such as new and fun products. But, of course, Costco is in charge of that particular approach to delighting its shoppers.

Is there a good reason why the same concept can’t be driven from the brand side? I can’t think of one. Why not create a schedule of limited-edition surprises to be sprinkled in with your regular product mix on an ongoing basis?

**Service.** The checkout area is probably the area in most need of help—if there’s one area of the store that is full of misery and devoid of innovation it would

be the checkout. Shoppers want the checkout to be everything it so often isn’t—fast, easy and friendly.

Maybe there is an opportunity for a brand marketer to sponsor a faster, easier and friendlier checkout, similar to the idea of sponsoring things like the parking, the shopping carts or the restrooms. But the other day, as I was watching a woman at checkout as she unfolded her own shopping bags, which she had brought from home, I had another thought.

It looked like it was a real effort for her; she had to bring the bags to the store, stow them in her cart while she shopped, and then unfold and set them up at checkout. Well, what if the next time, she simply returned her bags at the store’s entrance and received a voucher for the same number of bags, which she presented at checkout?

It would be much more convenient for her, that’s for sure. It almost certainly would encourage more people to recycle their shopping bags, too. And whichever brand sponsored the idea—complete with their brand logo emblazoned on the bags—would enjoy a public-relations coup.

Some of these ideas may be bigger than others. Most are just idea starters. Some might present significant operational challenges. You might look at them and say, “we’re not in that business” or “how would I measure the R.O.I. on that?” But you’d be missing the point. As I’ve mentioned before, your metrics—your measure of success or failure—are nothing more than a function of the Burke/Morgan “shoppability” factors.

It is no longer sufficient to take an inward view of innovation because innovation is not just about your product; it’s also about everything that surrounds your product. And the most important thing that surrounds your product is the environment in which shoppers are making a decision whether to buy it...or not.

That environment is the retail environment, and the bottom line is that if you learn how to innovate there, sales, profits and growth will be yours for the taking. ■



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