

# Stop & Talk

## Turning stores into brands means talking to shoppers and serving their needs.

There probably isn't a channel with a greater opportunity to reinvent itself than grocery. While other classes of trade have pursued innovation, the grocery channel has done little or nothing. The typical grocery store really hasn't changed all that much since the 1950s.

It came as no surprise, then, when a recent survey of senior-level marketers by *Reveries.com* found

68 percent saying that most grocery stores are *not* innovative.

If there was a surprise, it was that those same marketers were so anxious to talk about grocery shopping. More than 350 of the survey's 458 respondents offered suggestions on how

grocery stores might improve the shopping experience.

That overwhelming urge to vent about something as ostensibly mundane as grocery shopping actually goes right to the heart of the problem facing grocery stores today.

That problem is that retailers rarely ask their customers what it is they'd like to experience while shopping in their stores. These survey results suggest an astonishing level of pent-up opinions that these retailers should tap into.

Now, grocery retailers will tell you that they *do* talk to their shoppers but the truth is most of them really do not. They'd much rather just borrow ideas from their competitors than to take the time to truly try to understand their shoppers.

Some grocery retailers will say that they get all the insight they need from their loyalty-card questionnaires and data. While it's true that might be getting some insights out of their loyalty-card activities, it's not nearly enough. More often than not, they take the easy way out instead.

### JUST SAY "HI"

Most grocery operators simply define their shoppers as anyone who lives within ten miles of their stores. In most cases, that's true—although the best retailers design their stores so that they attract people for reasons other than convenience.

Nor do the best retailers default to the notion that if they can just jam enough stuff onto their shelves they can be everything to everybody. The best retailers understand that, when it comes to grocery shopping, more is not necessarily better.

In fact, packing the aisles with more items often has the opposite effect for the obvious reason that it makes it harder for shoppers to find what they are looking for in the first place. Because of the space demanded by a more-is-better approach, the shelving gondolas must be taller, which adds to the sense of clutter and confusion in the store.

If more grocery retailers bothered to ask their shoppers, they would be building shorter gondolas and putting fewer items on their shelves. Granted, determining just the right assortment that is going to satisfy their shoppers is not a simple matter, but there is nothing complicated about finding out what's on a shopper's mind.

You don't want to follow them around with a clipboard and 20 questions, but if asked politely most people are happy to share what's on their minds. It's just a matter of intercepting shoppers in, say, the mustard aisle, noticing what they buy and asking them how they feel about the choices.

If you do this consistently, in a disciplined way, across the full range of categories, you will get a much better picture of what your shoppers think. Odds are, what you're going to find is that most shoppers say they are both overwhelmed by the choices and bored by them. That sounds contradictory, but it really isn't—at some point too many choices is paralyzing and shoppers simply zone out.

## SURPRISE WITH SERVICE

Most shoppers would agree with the marketing executives who took the *Reveries.com* survey and say they are “almost never” pleasantly surprised while grocery shopping. I would submit that it’s not that the surprises aren’t there—it’s more likely that the shoppers just can’t find them.

In fact, there are many new products in the store but most grocery retailers don’t do a very good job highlighting where the new stuff is. A key obstacle is store operations. I’m convinced that not a day goes by when someone in operations doesn’t say, “we can’t do that in our stores.”

Yes, there are always various logistical issues that need to be resolved. But none of those logistical problems are as big or important as making sure shoppers can find what’s new and exciting when they’re in the store.

Part of the solution is to provide better service in the store—training the store staff not only so they know where items are, but also to walk shoppers to the item and have a conversation with them while they’re doing so. That may sound like a really obvious idea but few retailers invest in their people this way.

Instead, they tend to complain about how hard it is to get people, and about the cost of labor. As a result, they end up not only with poor service in the aisles but, even worse, surly service at checkout.

A number of the *Reveries.com* respondents noted how unpleasant the checkout experience can be. One very good reason is that they’re not happy because the cashiers are not paid or treated very well by their employers. No wonder they throw the can of chili on top of the potato chips!

## REAL MEAL SOLUTIONS

Of all the missed opportunities for reinvention at retail, perhaps the biggest one is not even a new one—meal solutions. Once again, retailers talk about this as though they’re already doing this but they really are not. Most so-called “meal solutions” at retail still consists of fried or rotisserie chicken, or maybe lasagna. And, frankly, it’s usually not very good and certainly not very healthy.

Many retailers also insist that they’ve got the “meal solution” thing covered because they offer recipe cards, but that isn’t nearly enough. Grocery stores should look at what consumer-electronics retailers have done. For example, I can buy a “home theater in a box,” take it home and hook it up myself.

Grocery stores are still selling the components—the ingredients—when they should be selling “home

meals in a box.” You shouldn’t have to hire a Geek Squad to come to your house and figure out how to make a meal out of what you just bought at the supermarket. Until grocers get serious about this they will continue to lose sales to quick-serve and takeout restaurants.

It really isn’t all that difficult. Supermarkets routinely merchandise cookouts in the summer—why not do the same for other meal concepts? Frozen foods would be a great place to start since you could put together just about any kind of meal based on what’s available in the freezer section, and do so inexpensively.

## STORES ARE BRANDS TOO

Ultimately, the issue is that grocery retailers need to view themselves as brands, and then live and breathe the brands that they are. A few supermarkets already do this well—Whole Foods and Trader Joe’s, for example. But most do not.

If they did, they would do what Coca-Cola, Kleenex, Tide—or any one of the many brands that sit on their shelves—does. They would develop what their brand is, by investing in research into who their shoppers are, how they use the store, what they like and don’t like, and how to grow their businesses.

Grocery retailers have long aspired to be brands and say that they want to promote them that way. But they haven’t done the basic work involved in creating a true brand. Even as compared to some of the smaller brands in their stores, they haven’t laid the basic groundwork of branding.

There are great opportunities not only for the retailers, but also the brands they sell. Perhaps, for example, a manufacturer could sponsor the employee training that is so critical to an improved shopper experience. Maybe the in-store assistance could be “brought to you by Coca-Cola,” for instance.

That may or may not directly result in any incremental sales for Coke, but it certainly would be great for Coke’s relationship with its retail customers. More important, it would be great for the grocery shopping experience, which of course means it would be great for everyone. ■



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# Like Sho

## Do you enjoy grocery shopping? Why do you shop where you shop? Is your favorite grocer innovative?

Our survey of 458 senior-level marketers found little enthusiasm for going grocery shopping but a healthy appetite for talking about it.

A plurality of 47 percent of respondents said they enjoyed shopping only “sometimes,” although healthy percentages rated the quality of the store where they usually shop as either “very good” (39%), “good” (34%) or “excellent” (13%).

However, when asked why they shopped where they shopped, “location/convenience,” at 84 percent, was the runaway reason given. Issues of quality — be it produce, meat/fish or friendly service — lagged far behind.

When we asked our respondents how often they are pleasantly surprised while grocery shopping, just four percent said “frequently.” Exactly half — 50 percent — said “sometimes” while 44 percent said “almost never” and three percent said “never.”

We also asked about the number of different stores respondents visited in a typical week to stock up on grocery items and a plurality (48%) said “two.” Perhaps surprisingly, a plurality of 40 percent said they “don’t care” that they have to make multiple trips for groceries, although 32 percent said they “hate it.”

In perhaps the most telling — if not surprising — response, 67 percent of our survey participants said they did not consider the store where they usually shopped to be “innovative.”

The 26 percent who said they did consider their favorite grocery stores to be innovative gave a variety of reasons why, starting with the food they sell:

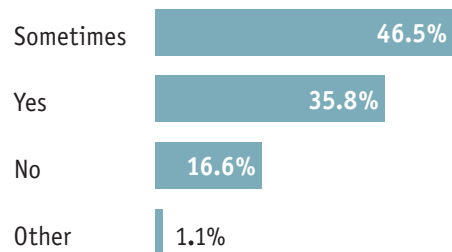
*“They are continually trying new items of convenience for meats, seafood, breads, produce.”*

*“All produce is locally grown or organic when possible.”*

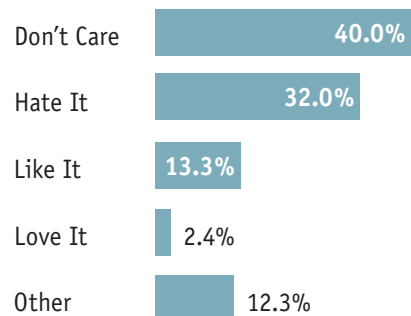
*“Unique food items, international foods, less-known brands, testing stations ... super high-quality in-store preparations.”*

Service also scored high as an area of innovation: *“They place your items on the*

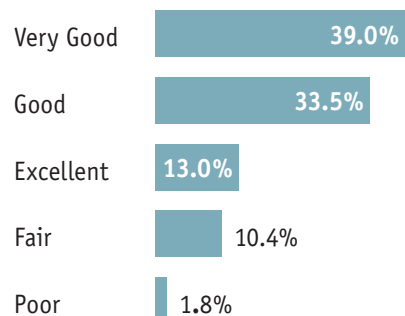
### Do you enjoy grocery shopping?



### If you visit more than one store, how do you feel about making multiple trips for groceries?

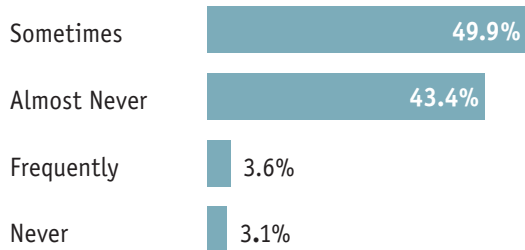


### How would you rate the quality of the store where you usually buy groceries?

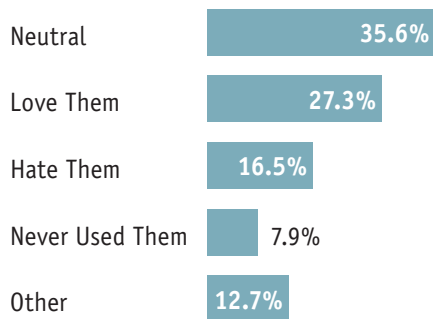


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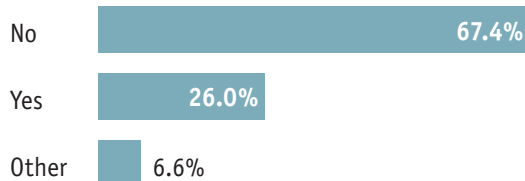
## How often are you pleasantly surprised while grocery shopping?



## How do you feel about self-checkout lanes?



## Do you consider the grocery store where you usually shop to be innovative?



*conveyor belt at the checkout for you, and then you drive up to have your groceries loaded into your car. I especially love this service in winter.”*

The checkout area did indeed receive considerable comment in this survey—most of it negative. In fact, “faster checkouts” and “wider aisles” were among the most frequent suggestions offered to improve the shopping experience overall.

While many said they liked self-checkout lanes, most noted that they were good only when purchasing a few items, and few regarded them as a total solution. Some saw them as costing people their jobs.

Cashiers themselves were also taken to task, variously criticized as “surly” and too often more focused on their social lives than on their jobs. A few recommended RFID-enabled carts, or handheld devices, capable of totaling up purchases before arriving at checkout.

One respondent had another kind of technology in mind: *“It would be great if the shopping carts had a little internet browser so if I found a recipe on the web, I can simply go to the web page and get the items I need.”*

Having different-sized carts for different kinds of shopping trips also was mentioned. But the prevailing opinion seemed to have less to do with the efficiency of the shopping experience than the fun of it:

*“Carpet, music, better fresh produce, indoor/outdoor shopping, sexy uniforms, free Mondays, car wash while you shop...”*

*“Routinely rotate in new and interesting items to improve selection and create some sense of surprise...”*

*“Have cocktail waitresses serving drinks in the aisles.”*

### RESPONDENT PROFILE

A total of 458 survey respondents included brand marketers (26%), consulting firms (18%) and agencies (17%). Twenty-one percent worked in packaged goods firms, 8% in financial services, and 8% in retail. A majority were senior-level executives with 68% reporting more than ten years of experience in marketing. ■