

# Kimberly-Clark at Retail

**I**t was three years ago when Hedy Lukas, then director of consumer promotions, sat down with Don Quigley, Kimberly-Clark's president of customer development, to talk about the shopper journey and how to make sure Kimberly-Clark was on the right path.

At the time, Hedy's accountability was limited to the marketing communications within Kimberly-Clark, including consumer promotion. But from a marketing-communications perspective, both she and Don knew that their brands weren't linking very well with what was going on in the store.

Today, with Hedy in an expanded role as vice-president of integrated marketing, Kimberly-Clark has a marketing communications team that crosses sales with marketing, and that connects what is happening in the store with its other marketing planning.

As it evolved into a more holistic, integrated-marketing planning practice, Kimberly-Clark has embedded its marketing communications team into all of its activities and thinking.

The ultimate vision, explains Hedy, "is for shopper marketing to be ingrained in the DNA of Kimberly-Clark to such an extent that it is considered to be part of marketing."

## What are your greatest challenges at retail today?

A key one is to make sure that we are getting better and more robust shopper insights. All too often we've translated consumer research into shopper research. We need a real understanding of the changes that take place in behavior and attitude when a consumer walks through the retailer's doors and is actually in the shopping mode.

We also talk about understanding the retailer's own challenges so that we're making smart decisions that are relevant to them, as opposed to decisions that are self-serving to us within a category. We need to make sure we are connecting with the right people in a retail organization and understanding their bigger challenges.

In addition, we are challenged to measure the full path to purchase, all of the components that drive shopper choices and that we're effectively measuring what's working and what's not working on behalf of ourselves as well as the category and the retailer. Finally, there's the execution, and making sure we're getting good compliance in terms of actually executing at the store.

## How do those challenges change the kind of research you do?

We always struggle with the need to clearly understand some of our product usage and what some of our product preference needs are. But we also need to understand what the shopper is looking for in the store.

The issue for us is how to marry the concerns together so that we actually can get a little more efficient and more productive as we're doing our research, so that we understand the consumer as a shopper and get a broader perspective.

Being able to get deeper into more of the retailer's domain is a challenge for us. We focus where most other manufacturers focus, which is with the bigger customers. It's important for us to keep building that

## *A conversation with Hedy Lukas, vice president of integrated marketing, Kimberly-Clark.*

library of knowledge and information across more and more of our retailers.

### **How do you go about doing that?**

Traditionally, packaged-goods companies have done their communication planning by starting with some key brand objectives and then developing an advertising plan. At some point, they throw the plan over the wall to the sales organization and ask them to leverage it in the store. That's an old-fashioned way of looking at it.

We have in, the last year or so, changed that dynamic aggressively. Today, we plan from a perspective of our core marketing idea. That idea has to be influenced by insights from the retailer and the shopper as well as knowledge and insights from the consumer.

Getting the right people engaged at the beginning and making sure that there are strong players at the decision-making table is a big change for us. We've seen some dramatic shifts in the way we're investing our communication dollars and energy going forward.

### **Do you see retail as a medium in the same sense as other media?**

Yes, we do believe the store is absolutely one of the key channels. I say that with great conviction because the package, the shelf, the merchandising activities and the adjacencies in the store all have a huge impact in terms of how shoppers make their final buying decisions.

Our overall objective is to change the retailer's mindset in terms of the brand and the category. So, we are investing significantly in intercepting a consumer and engaging her with the brand there more than in any other channel.

### **Is the primary goal to deliver an advertising or promotional message?**

It's an interesting balance. We know that, for example, packaging has to play in two worlds; it has to support and reinforce the brand equity while also serving the purpose of the shopper. Do we believe the store can provide support across the brand from an equity perspective? We do. We understand that in the

store environment there are typically different kinds of shopper motivations, so we clearly need to be in a buying mode or a communication mode from that perspective.

It's become clear to us that our task profile needs to change. It's not about awareness so much as it is about getting shoppers to interact with our brands. We need them to be engaged in terms of how the brand is actually performing or how it feels. We also need them to have an emotional connection to the brands, which TV does to a certain degree. But it's not the only way to do it and it's not always the most efficient or effective way to do it.

**Whenever I've brought R&D into a customer discussion they really add a whole new level of expertise and credibility.**

So, we start not with the premise of whether we have to do TV, but with the premise of what we really need to do to be successful based on the barriers that the brand or the category is experiencing. The answer, more and more often, is not awareness, at least with huge brands like ours. It's about connecting either emotionally or gaining some sort of interactivity with the consumer.

### **How do you measure the results of that?**

That's the billion-dollar question. We struggle with measuring retail the way we struggle with measuring traditional media. In the marketing world, we always beg for a common currency of measurement. I would love to be able to compare TV to print to an experiential consumer event to direct mail to in-store.

But we don't have any common measurement that enables us to compare an advertising message to the shopper experience in a grocery aisle. That's our struggle overall. But more and more we're trying to find tools that ultimately will get us to the answer of whether an integrated plan, with all its components, succeeds at what we set out to do or not.

While I'd love to be able to get at the individual components, I'm not so sure that's helpful because when you pull all these various communications tools together, they interact. What we need are ways to determine whether we achieved our goals or not holistically, and then which of our individual activities were more efficient or effective.

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### How useful is PRISM?

We're not seeing any tool out there yet that really gives us a complete answer. PRISM tells us what shoppers did, but not why they did it. We know stuff happens in-store, but we don't always know if it was due to the display, the packaging, the pricing or the signage.

It's really hard to pull all of that apart. So, we're not satisfied with what's out there, but we're working with other associates in the industry and obviously our research partners to see if we can come up with something better.

### How has shopper marketing played out for you at retail?

We've built stronger relationships on the basis of what we understand about what retailers want and what their shoppers want. For example, Target clearly is a brand marketer that prides itself on bringing design into the marketplace at an affordable price.

So, when we first took a look at Kleenex Ovals and realized we had the ability to create an oval package with a compelling design, we went first to Target. They were willing to take a risk with us on

introducing Ovals at a higher-price point. It was going to be something like \$2.99 a package versus \$1.19 on our promoted pack.

Target took a bet. They really believed, based on what they saw of their shoppers and what we had understood of their shopper insights, that this would work. We introduced a holiday oval design and they sold out so quickly that they had to replenish them.

### Have you also partnered with other manufacturers?

We've certainly partnered with the likes of Enfamil or Gerber to help provide our retail customers with "baby solutions" for their young moms who are so important to them.

It's not unusual to recognize that we want to bring the retailer a multiple-category solution so that moms can go to a single aisle or section and get everything that they are looking for to satisfy their particular needs.

### Where else do you see the opportunities to develop shopper marketing?

Packaging and solutions certainly are at the top of our list. The more meaningful solutions are always going to be those that make it easier for shoppers to shop the store. Packaging is part and parcel of that.

As marketers, we're not nearly as focused as we need to be about the shopper's in-store needs as we are about the desire to extend brand messaging and brand equity on the package. We have to make that package work so much harder and so much more efficiently, both for us and for the retailer.

### How do your agencies support your shopper marketing strategy?

We use both Tracy Locke and Malone to develop programs and strategies at the retail level for execution. Naked Communications is our planning agency. We're using them to help us get a "masters degree" in communications planning because they are one of the most sophisticated planning agencies in the industry today.

Naked has helped us develop the process we use to bring all of the necessary inputs into the beginning of the process instead of at the end. Tracy Locke and Malone participate in that process, along with our creative agency, our digital agency, our experiential agency and so forth. But our retail agencies are equal players throughout that entire process.

### **Have the demands of shopper marketing changed what you expect from your agencies?**

We expect our agencies to be industry thought-leaders for us. So they have been very actively engaged with us in terms of: What's in the crystal ball? How do we leapfrog forward?

What's going to keep us fresh in this area of shopper marketing? What's happening out there? What are best practices? Who's doing shopper marketing really well?

We're challenging our agencies to challenge us and stay fresh and not just be execution partners, but also to be thought leaders with us.

### **How has shopper marketing changed your relationship with retailers?**

Tremendously. We used to be recognized for being a really nice company to work for, with really good sales people. But we didn't really score high among senior managers and retailers as a strategic partner.

We are now being acknowledged and recognized as a company you would go to if you were looking for solutions for market-type issues. And that's gratifying, because frankly, it didn't happen before.

Tangible evidence of that is that we were always ranked 17th or 18th in the Cannondale study on things like strategic partners and innovation. We're now ranked in the top ten.

### **Why do you think that is?**

It's because of the emphasis Don Quigley put on being an indispensable partner and all the definitions around that—providing insights, meaningful tools, focusing on partnering, on innovation. We've engaged them in that dialogue and recognized their value as partners in terms of successfully launching category-changing products in the marketplace.

### **What are you doing for training programs?**

I'm not going to pretend that we have that one nailed. Our training programs are predominately internal, so you come into a position and your supervisor trains you. But we are creating what we call a traveling university within Kimberly-Clark globally and shopper marketing is going to be a component of that.

It is going to be a training program that hopefully instills inside all of the marketers an appreciation and an excitement about shopper marketing being part of their career path. The expectation is that a brand marketer that comes through the organization is going to have a successful stint in shopper marketing because they have to understand it. It's important to their holistic development of how to be a successful marketer in terms of a career path here.

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### **What do you think is the most attractive thing about a career in shopper marketing?**

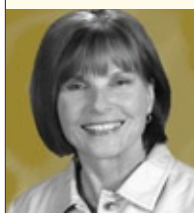
I would tell any MBA graduate coming out of school that they should consider going to work for a retailer. Target is hiring some incredibly smart MBAs. Wal-Mart is bolstering their marketing organization. Kroger clearly does.

If you can truly marry up the retailers' position in the marketplace and enable them to leverage it because of the way you're helping them target their particular shoppers, it becomes a win, win.

It's a beautiful sweet spot if you can see it that way and appreciate everything coming together. That's what I find compelling about it.

### **What is your greatest goal for shopper marketing?**

I would say our greatest goal for shopper marketing is to have it be ingrained in the DNA of Kimberly-Clark to such an extent that it is considered to be part of marketing. ■



**HEDY LUKAS** is vice-president of integrated marketing communication for **Kimberly-Clark** accountable for Kleenex, Huggies, Pull-Ups and other brands, including media, consumer promotion, relationship marketing, shopper marketing and packaging design.