

Path to Purchase

On the surface, the increasing focus on the “shopper” versus just the “consumer” seems like a simple shift. However, more than 40 percent of organizations still do not differentiate between the two. As serious students of shopper marketing now know, bridging that gap presents significant challenges on multiple levels.

The difference between the shopper and the consumer typically is described in terms of a frame-of-mind, with the shopper’s “need states” effectively taking over where the consumer’s “attitudes and usage behavior” left off. While this is true, it captures only part of the difference.

When the focus is solely on the consumer, marketers invest heavily in determining a need and filling that need. However, with today’s focus on the shopper, the path between determining and filling needs is interrupted at three points, all of them influencing shopping experience:

- **Choosing the store.** Shoppers may buy not only from another retailer within a “class of trade,” but from another channel, or a different *type* of channel altogether (e.g., buying skin-care products from a specialty store). In fact, 74 percent of us buy our weekly groceries from multiple stores and channels.
- **Locating the department.** Shoppers are faced with myriad choices, all of which may satisfy the same need—and many of these choices may reside in a completely different department. For the shopper, a “snack” can translate into any of several options,

from cookies to carrot sticks, which can take them from center-store to produce.

- **Selecting the product.** Once the shopper has made her way to the aisle in the store, the opportunity to influence her decision still remains. And it does not stop there because selecting a product in one category provides the opportunity to influence additional purchases from other categories and drive not just your own category or department, but other departments across the store.

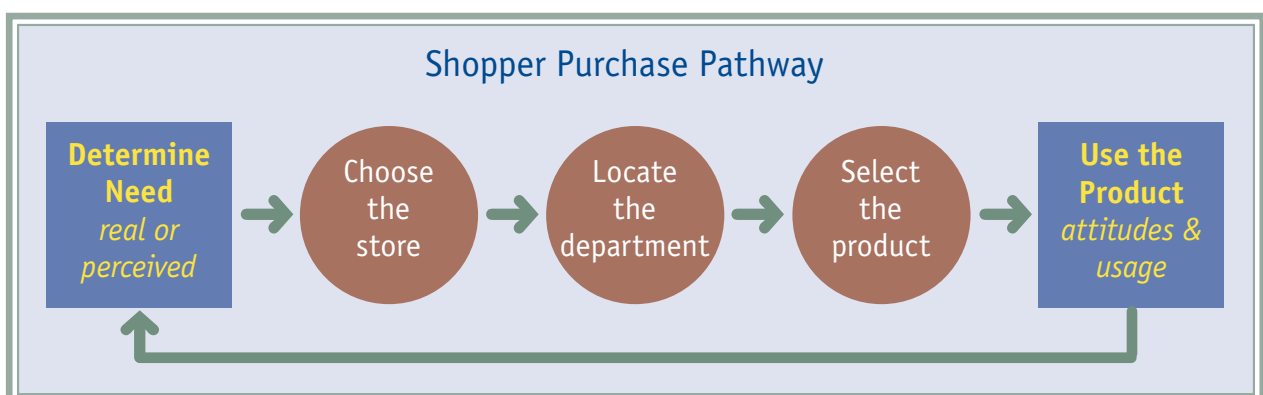
In short, the shopper’s world is a larger and more complicated place than the consumer’s world. In the shopper’s world, the scope of the decisions being made, and the points of “shopper influence,” transcend the brand or category.

EVOLVING RETAIL DYNAMICS

Let’s dig a bit deeper into one of these points of “shopper influence”—the point at which she is choosing the store. While in many instances, the trip to the traditional grocery store is still taking place, the challenge lies in the percentage of total household purchases being made there.

This challenge presents a threat not only to the retailer, but to the manufacturer as well, in that numerous products sold by packaged-goods companies are not distributed in many of the alternative store choices.

- **Channel blurring.** Shoppers have more choices of where to get many products and services which were once limited to certain channels. Shoppers



The road to brand growth is now longer and less predictable.

no longer have to go to a traditional drugstore to get prescriptions filled. They can buy high quality prepared foods in a c-store, and household cleansers in a home-improvement store.

- **Specialty retailers.** Major categories are experiencing the emergence of specialty retailers, such as meal assembly; beauty and health-care clinics; electronics, pet food, school/office supplies, and more.
- **New formats.** New channels and formats are arriving on the scene. The “natural” channel has become more mainstream with players such as Whole Foods and Trader Joe’s. Tesco’s Fresh & Easy is bringing a new approach that U.S. retailers are examining and testing as well. Kroger and others have multiple formats that they can use to penetrate a market.

Clearly, the move to focusing on the shopper demands a significant shift and expansion in thinking to include consideration of the myriad decisions and options from which the shopper has to choose.

Accordingly, shopper insights must cut across categories and incorporate total-store strategies and needs relative to other channel and retail options. One must, for example, address shopper “stopability” and “shopability” needs beyond just a single category, develop total store “linkages,” and create opportunities for services (and not just “products”) as part of a total business solution.

These solutions must address not just cross-purchase or promotion opportunities, but also more synergistic and strategic priorities for the shopper and the retailer (e.g., wellness synergies that bridge HBC/food, and “green” lifestyles).

EMBRACING SHOPPER INSIGHTS

A question often debated is, where does shopper marketing belong in the organization? Should it be a sales function? A marketing function? Or something else? While there is a good argument to be made for both sales and marketing, “shopper insights” would benefit from the knowledge, skills, and approach developed in a marketing function. The discipline of developing consumer insights is directly translatable to learning about shoppers.

That said, it becomes even more important for marketing and sales to work together when it comes to shopper marketing. Shopper insights will likely vary across channels of trade — even within one channel of trade — across specific customers.

For example, take the Wal-Mart shopper versus the Target shopper or the Kroger shopper’s mindset compared to the mindset of a Safeway shopper — and nobody knows the customer better than sales. Further, when it comes to turning shopper insights into action, partnership with the retailer is a key component. The relationship with the retailer is owned by sales and often has been developed over many years.

Truth is, where shopper marketing resides in the organization is not the most critical factor. More important is giving it a presence, aligning the organization around the importance of shopper insights, and developing a process for bringing shopper insights to life in the marketplace.

This process must include developing an approach to learning about shoppers and how they make decisions along the “shopper purchase pathway.” All of this must be built into the annual planning process and fully integrated into the way we think about going to market.

The end game of shopper insights — which ultimately benefits the retailer, the manufacturer, and the shopper — is to increase store loyalty, by improving overall shopper satisfaction.

Shopper satisfaction is affected by many variables, often grouped under the banner of “shopper experience.” Those who step forward and enhance that experience will be the winners in the marketplace. ■

[Editor’s Note: This article is a portion of a best-practices study, Magnifying the Shopping Experience, to be published in the October issue of Progressive Grocer magazine.]



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