



WARC TRENDS

# SHOPPER MARKETING (SAMPLE)

>> Find the right shopper strategy for your brand





# Shopper marketing: a definition

This is a sample version of Warc's Shopper Marketing Trend Report

The full version is available to subscribers of [warc.com](http://warc.com)

“  
*All marketing stimuli, developed based on a deep understanding of shopper behaviour, designed to build brand equity, engage the shopper (i.e. consumer in 'shopping mode'), and lead him or her to make a purchase*  
”

Source: Deloitte/Grocery Manufacturers Association US, 'Shopper Marketing: Capturing a Shopper's Mind, Heart and Wallet' 2007



## Executive summary

This is a sample version of Warc's Shopper Marketing Trend Report

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In the past five years, shopper marketing has become a real focus for brand owners. The squeeze on consumer spending has made it more important than ever to understand shopper motivations, as retailers and brands look for new ways to build sales in a tough environment.

What's more, the explosion of media channels has reframed shopper marketing. What was once seen as a narrow field of in-store communications now begins with the 'shopper' and tracks the influences on him or her as they consider a purchase. This report uses a broad definition of shopper marketing, as put forward in 2007 by Deloitte and the US Grocery Manufacturers Association.

Modern shopper marketing has to focus on areas like search and peer-to-peer recommendations, and understand how consumers find information, both online and offline, then process and validate that input. And as e-commerce booms, it has to rethink the idea of the store itself.

This complexity can be seen when brands start to map their paths to purchase. The diagrams that result can feature a dizzying array of arrows, as brands find that old-fashioned ideas of a linear purchase



De Bijenkorf made queuing a game



Johnnie Walker used seasonal packs

funnel no longer apply. The 'research online, purchase offline' trend is well established, and now smartphones are taking a major role in the purchase process. CoverGirl is a good example of a brand that has rethought its approach to shoppers who jump back and forth between online and offline.

### Data plus insight

Digital channels give brands access to a wealth of new data. However, some big-name brands have decided that having this raw data is not enough. The key to understanding shoppers is to find ways to ally this data with more nuanced shopper insights. And there is a growing desire for understanding of the emotional drivers of shoppers.

Tesco, for example, has launched a major online qualitative study into the feelings and motivations of families across the UK. Unilever, meanwhile, has a US initiative called CybrTrak that tries to link up online data, such as social media 'buzz' and information from search engines, with in-store behaviour and input from offline panels.

New technology has also given shopper marketers a host of new

“  
A shopper isn't fully understood if what they 'say' is examined in isolation of what they 'do'  
Bob Bowman,  
Shopper Insights  
Manager,  
Unilever



# Executive summary (continued)

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tools to get people through the doors of the store. Some are digital versions of old-fashioned techniques, such as mobile coupons, or in-store offers for those who 'check in' via a mobile social network. Others use technology to take the shopping experience in new directions. Dutch retailer De Bijenkorf turned the queue outside its annual sale into an online game lasting 10 days.

Within the store environment, both brands and retailers are innovating to stand out. For brands reliant on third-party retailers, pack design remains an important way of grabbing attention. Seasonal or event-driven 'limited editions' and promotions are also useful, as they can be 'sold in' to retailers as sales-drivers. Johnnie Walker used this strategy successfully in Vietnam; it found favour with retailers through special 'new year' packaging.

Among retailers and brands with their own retail space, there is a growing awareness of the importance of the store experience. The concept of the 'flagship' or 'destination' store has taken root outside the luxury sector. Both Nike and Adidas have pushed innovation within stores; other brands have sought to

**47%**  
of US marketers say they will spend more on shopper marketing in over the next two years

Source:  
GfK Interscope

develop 'club' experiences around their retail outlets.

## Bringing it all together

How can all this be integrated with a brand's other marketing activity? One answer, adopted by Procter & Gamble, is a 'store-back' policy; to look for ideas that work well on shelf, then push backwards along the path to purchase.

Significant hurdles remain. There is the need for brands to align

priorities with retailers, and to join up all the stakeholders, both internally and within external marketing services agencies. Inconsistencies in measurement only make it harder to integrate shopper work into the rest of a brand's marketing activity.

For all that, the goal of shopper integration is worth pursuing. As the boundaries between 'consumer marketing' and 'shopper marketing' blur, finding ideas that unite the two has never been more important.



Sportswear brands Nike and Adidas use technology to make the in-store experience more exciting





# At a glance Path to purchase

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## KEY INSIGHTS

- 1 Digital channels have made the path to purchase far more complex. They have also provided marketers with much greater insight into the different influences on a consumer pre-purchase.
- 2 Marketers are responding by looking more carefully at purchase decisions. Consumer insight, online behaviour-tracking and buzz-tracking are now being brought to bear on shopper marketing.
- 3 Research has underlined how powerful the 'research online, purchase offline' trend now is. Deutsche Bank, for instance, estimates that 50% of its new financial products are bought this way.
- 4 Re-examination of customer journeys is prompting some brands, such as CoverGirl, to rethink their approaches to building sales and brand loyalty.



“  
*As the shopping experience grows more complex, fluid, and digital, the path from need to purchase is rarely a straight line*

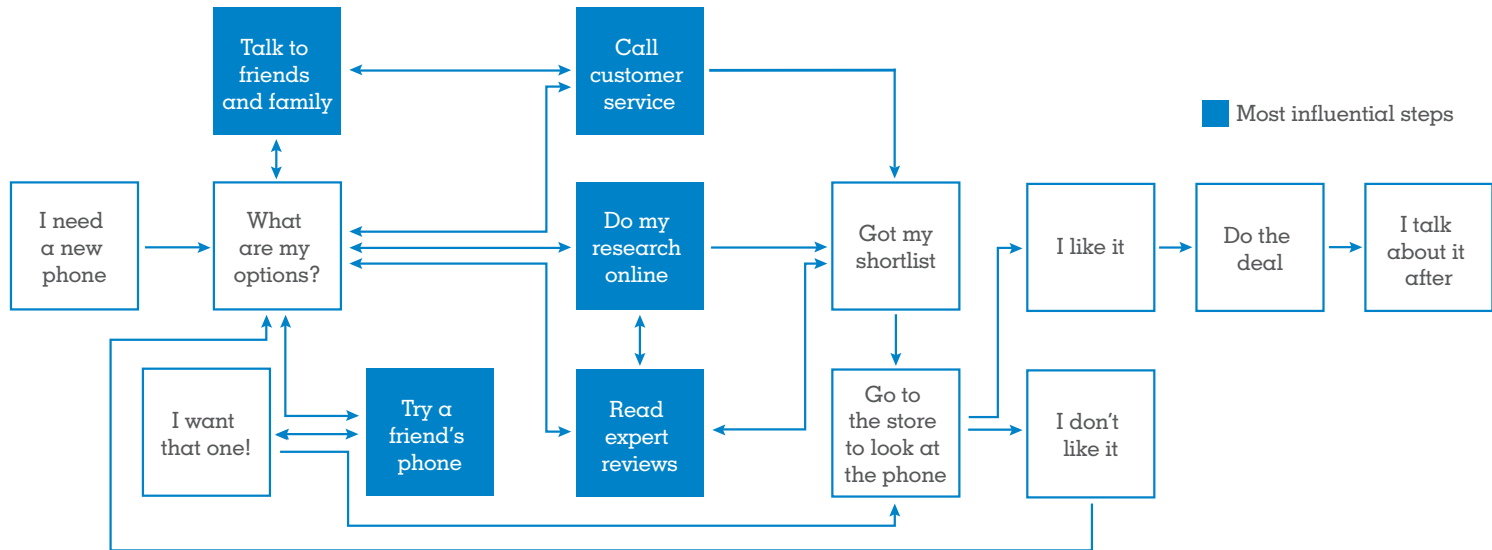
Jonathan Dodd,  
Global Head of  
Strategy, G2



# Case study Purchase influences

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## THE PATH TO PURCHASE OF A SMARTPHONE BUYER



**Initiative mapped out the path to purchase of a UK smartphone buyer for one of its clients. The goal was to understand which steps along the pathway were perceived by shoppers to be most important.**

The study, [detailed in an Admap article](#), identified the top five most influential steps (see chart). Shoppers put more weight on opinions from friends and family for this brand (the

number three in the market) than for its bigger competitors.

The study allowed the brand to compare its marketing plan with the path to purchase. One conclusion was that the brand under-performed during the online research phase.

The research also compared the roles different channels played over time. As expected, mass media had a strong influence in the awareness-building stage, and in-store and live

customer service rose in importance just before purchase. But there is great complexity in this pattern. Interestingly, TV spiked in importance just prior to purchase; it seemed to act as a 'seal of approval' for last-minute validation. What's more, the store was often used as a pre-shop mechanism – many respondents visited the store at least twice before purchase. That meant the store had a powerful role to play.

**Other examples:**  
[Sony NEX](#) camera launch, UK (within MESH Planning presentation)  
[PC City](#), Spain (within Google presentation)

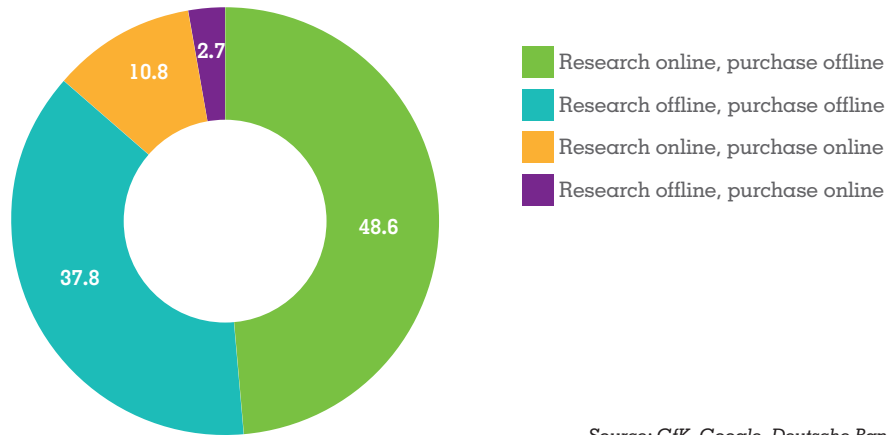


# Data snapshot Online meets offline

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## DEUTSCHE BANK PURCHASE ORIGINS (SHARE OF NEW CONTRACTS %)

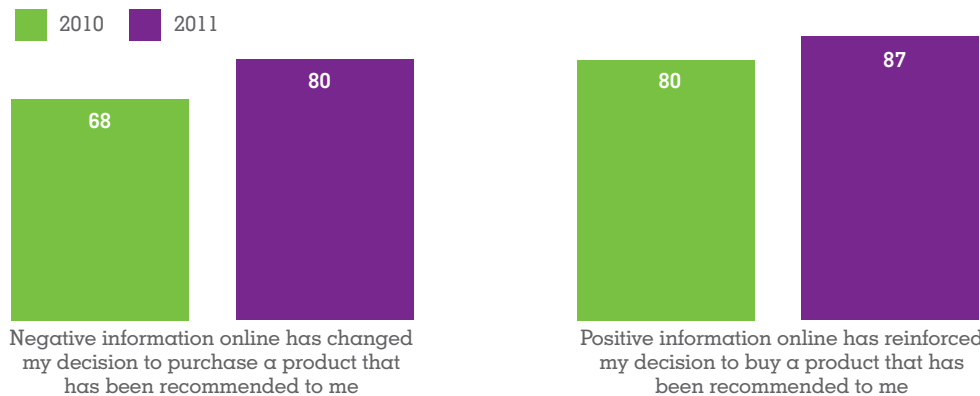


Source: GfK, Google, Deutsche Bank; [quoted on Warc](#)

## KEY FACTS

- ▶ The 'research online, purchase offline' (or ROPO) phenomenon transforms the classic 'path to purchase'.
- ▶ As consumers get closer to the point when they actually part with their money, their usage of both search and social media channels intensifies. This is known as the 'late kick'.
- ▶ A study of Deutsche Bank's new contract sales for the company's financial products underlines the point. Nearly half of new contracts were purchased offline after web-based research.

## THE ROLE OF ONLINE INFORMATION IN THE US (% AGREEING)



Source: Cone, [quoted in Warc News](#)

- ▶ Online research increasingly involves looking at reviews by other consumers. According to research from US company Cone, the vast majority of US consumers say that information they read online has a bearing on whether or not they purchase a product or service that has been recommended to them.



# At a glance Turning data into insight

This is a sample version of Warc's Shopper Marketing Trend Report

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## KEY INSIGHTS

- 1 Brands have never had so much data, but many are finding they need to supplement that data with consumer insight programmes. Tesco is one retailer conducting research so that it can understand the emotional side of its customers' shopping habits.
- 2 Eye-tracking research and neuroscience are helping marketers understand store navigation, aisle scanning, packaging and price promotion cues.
- 3 Customers will give more data to retailers that deliver good service and relevant rewards. More than 20% of consumers believe none of the companies they buy from achieve this.
- 4 Combining transactional data with smart customer insights can lead brands in new directions. McDonald's overhauled its store design after investigating the customer journeys of different family members.



“  
*We've been good [at] monitoring metrics on the rational side of things – things like price and service. Now we have to understand the emotional side, because shopping isn't rational*  
Maria Sealey,  
Head of Insights,  
Tesco



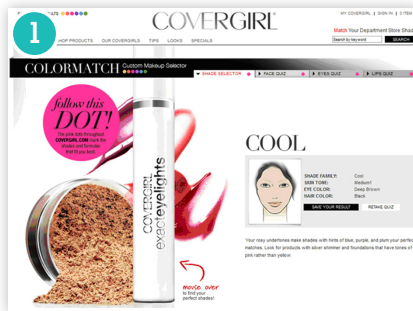


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## FEATURED CASE STUDIES



**1** CoverGirl, 'CoverGirl.com', US



**2** McDonald's, store revamp, Europe



**3** De Bijenkorf, 'Crazy Queue', Netherlands

**4** Coca-Cola, 'Share a Coke', Australia

**5** Burger King, 'Whopper Face', Brazil

**6** Guide Dogs Australia, 'Support Scent', Australia



## Contents

Warc's Shopper Marketing Trend Report features six chapters. Each offers analysis of the key ideas, case studies and data.

**1 The New Path to Purchase**  
How technology changes the focus of shopper marketing

**2 Turning Data into Insight**  
How brands are using research to optimise shopper marketing

**3 Directing Traffic**  
How new channels can help drive consumers into stores

**4 Standing Out In Store**  
How brands are innovating at the point of purchase

**5 The Shopper Experience**  
The role of the in-store experience in shopper marketing

**6 Integration**  
How to align shopper marketing with other communications



# About Warc's Shopper Marketing report

This report features six chapters offering analysis, case studies and data. Find the right shopper strategy for your brand.

## Key highlights:

- ▶ Examines how digital and mobile are transforming shopper marketing.
- ▶ Real examples of brands innovating throughout the path to purchase.
- ▶ Asks how to turn shopper data into actionable insight.
- ▶ Shows ways to link shopper marketing with other communications.

The full report is available only to subscribers of [www.warc.com](http://www.warc.com).

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### Mobile use grows pre- and post-purchase

**MOBILE USE IN PURCHASE PROCESS**

Search to explore stage: US 28%, UK 25%, France 22%, Germany 20%, Spain 18%

Five purchase stage: US 25%, UK 22%, France 20%, Germany 18%, Spain 16%

Looking for alternatives: US 22%, UK 20%, France 18%, Germany 16%, Spain 14%

**KEY FACTS**

- ▶ Research Advertising released research on the mobile shopping experience across five countries. The study looked at the US, UK and France.
- ▶ The study revealed the growing impact of mobile on the purchase stage. Mobile remains an important information source at all stages, and roughly half of consumers use their phones to look for product reviews and compare.
- ▶ More than 60% of consumers actively seeking a purchase are mobile in some countries, with 60% or lower consumers using their phones less than in the three nations. However, more than 60% of consumers use their phones to look for product reviews and compare.
- ▶ However, it is far more common for consumers to look for mobile offers post-purchase, using for order tracking, for example.

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### Case study CoverGirl

**CoverGirl reweights the path to purchase using digital services to give consumers inspiration and save time from store to purchase.**

**CHALLENGE**

The new challenge for CoverGirl in the US is to engage girls. The consumer company wanted to engage teens, and build on its already highly used mobile app. The challenge was to create a mobile experience that was fun, easy to use, and that would help girls discover new products and services. The goal was to create a mobile experience that was fun, easy to use, and that would help girls discover new products and services.

**SOLUTION**

CoverGirl reweighted digital media to focus on mobile. The company created a mobile app that was fun, easy to use, and that would help girls discover new products and services. The app was designed to be used on a mobile device, and it was optimized for a mobile screen. The app was designed to be used on a mobile device, and it was optimized for a mobile screen.

**RESULTS**

The app achieved a 10% increase in mobile sales, and a 15% increase in mobile app usage. The app was designed to be used on a mobile device, and it was optimized for a mobile screen.

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### At a glance Making sense of data

**KEY INSIGHTS**

- 1 Brands have never had so much data, but many are finding they need to experiment first with customer insight programs. There is one major challenge: how to make sense of the vast amount of data. The solution is to use data to understand the emotional side of the customer's shopping habits.
- 2 Eye-tracking research and neuroscience are helping marketers understand where consumers, while reviewing, packaging and price promotion cues.
- 3 Consumers will give more data to retailers that deliver good service and relevant rewards. More than 20% of consumers believe some of the companies they buy from observe this.
- 4 McDonald's reworked its store design to appeal to families after taking a new approach to customer insight.

**“We've been good at collecting data, but we've been slow to use it. We've been slow to understand the emotional side of things like price and service. Now we have to understand the emotional side. We've been slow at dropping an emotional hook. Now we're doing it.”**

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## CONTACT US

### LONDON (HEAD OFFICE)

85 Newman Street  
London  
W1T 3EX  
United Kingdom  
+44 (0) 20 7467 8100  
[enquiries@warc.com](mailto:enquiries@warc.com)

### SINGAPORE

31 Pekin Street  
03-01 Far East Square  
048761  
Singapore  
+65 3157 1214  
[asiapacific@warc.com](mailto:asiapacific@warc.com)

### WASHINGTON DC

2233 Wisconsin Ave NW  
Suite 535  
Washington, DC 20007  
United States  
+1 202 778 0680  
[americas@warc.com](mailto:americas@warc.com)

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