



SHOPPER MARKETING

Recent retail research of in-store shoppers undertaken in New Zealand has revealed that many in the retail sector have not taken full advantage of how to turn consumers into customers.

In-store marketing is a burgeoning area of the retail industry, with an increasing number of companies spearheading the charge into diversifying communication with potential customers. Retailers are cottoning-on to what other markets have known for years; people who are already in-store are the easiest group to sell to.

Recently, Progressive Enterprises made the decision to appoint a specialist in-store marketing company, Hypermedia, as its sole in-store media provider to take advantage of the opportunity to talk to consumers at the most powerful moment in the sales cycle – at the point-of-sale.

A large factor behind this decision rested on the fact that Hypermedia had conducted the largest-ever retail sector research seen in New Zealand. Over 1,500 people – spanning a diverse range of ages and across the entire country – were asked a series of questions aimed at finding out what would really cut through the noise. The study's rationale was to ascertain what type of messages connected with shoppers – both emotionally and practically – so marketers could spend their budgets more effectively.

With the rise of social media, many retailers have got lost in thinking that 'push marketing' has become redundant. This is clearly a misnomer; consumers are happy for information to be pushed their way, but only when it is relevant – and especially when delivered in an interesting, engaging fashion.

According to the research, 62 per



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cent of us make the final purchasing decision in-store. Interestingly, the percentage of people abroad who make the final purchase decision in-store is typically 70 per cent, which just goes to show how price-conscious we are as a nation. There is also a significant amount of deliberation that occurs; for instance, almost 50 per cent of shoppers spend more than three minutes when looking at the wine selection!

These factors would indicate that there is a necessity to alert shoppers from their zoned-out state. As Hypermedia's Wayne Simeon comments: "This doesn't mean that shouting at people is the way forward; it means the retail sector must start offering easy-to-understand solutions."

In addition to the large percentage of shoppers who are walking into a shop without

knowing what brand they will buy, there is also a significant group who change their mind. Thirty-three per cent of us adapt our shopping decision – either through impulse or necessity – while we are in the store. Essentially, it's seeing things we 'have to have', rather than need – or finding a product that is typically matched with another product to make it work.

It appears shopper marketing isn't as straightforward as we may think.

So, in this noisy environment, how does a brand resonate with people? Unsurprisingly, there is an increasing focus on price (58 per cent have reduced purchases on non-essential items and 55 per cent are spending less on impulse items) so there is a need to offer a simple, budget-conscious message that

There is a need to convey a brand message to the customer in a simple and concise manner that can be processed quickly.

passers-by can read in a matter of seconds. But there is also an opportunity for grabbing the attention in new ways.

The products currently offered by Hypermedia include 3D floor mats, customised die-cut shelf dispensers and category signposts – all designed to alert shoppers to specific brand benefits.

According to Simeon, retailers need to be aware of the importance of the myriad ways to address the needs of the modern consumer: “People want assistance with their purchasing decisions. This can mean anything from healthy meal options for the whole family to what cold and flu treatments are best for different people.”

One of the most interesting findings from the survey was that 28 per cent of those surveyed were positive about supermarket shopping. Only 14 per cent are negative –

which leaves 58 per cent ambivalent. Connecting with these shoppers is achievable through thinking laterally and making smart decisions – such as placing your product in a unique display where it sits with something associative, i.e. breakfast orange juice and newspapers.

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Clarity of delivery is something most retailers would say they understand, but how many truly adhere to this age-old philosophy? The world’s most successful retailers have identities that are very easy to remember and very easy to understand. Furthermore, the research found that we can

typically only process between five and seven pieces of information in a particular area of a store. This further highlights the need for simplicity of in-store messages.

Whilst the majority of people are more price-conscious than a few years ago, that doesn’t mean they will

always choose the cheapest option. This retail study shows that 52 per cent are willing to pay a little extra for a better product. But, if you make the in-store message confusing, you can rest assured that consumers will head for the lowest price.

To succeed in an environment

where everyone’s competing for the increasingly limited attention of the public at large, constant evaluation is essential.

Experiment with a range of marketing techniques and see what has the biggest impact on your sales. And look at whether there are more sales from the same people or if you are growing a new customer base. Even if what you’re using is working, keep looking because consumer behaviour can change at a rapid pace.

Taking this action is what will convert consumers into shoppers and what will keep them coming back. ■

□ For more information about Hypermedia’s retail research results, go to: www.hypermedia.co.nz.