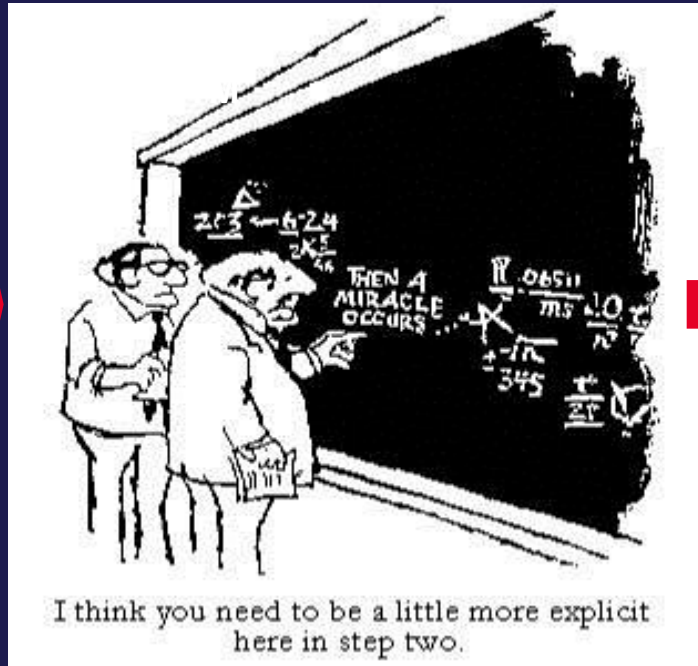


Shopper Insights

?

?



Shopper



IAA workshop, Belgrade, Sept. 29, 2012

Our Challenge is .. Attract, Engage and Converta



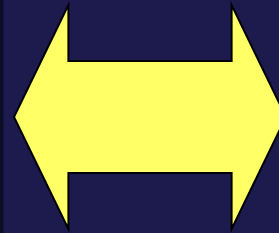
Changing shopper behaviour by influencing their environment will drive growth



Shoppers bring other influencers to the PoB – the environment can impact these too

Shoppers bring other
influencers into the PoB

- Mood
- Mission / Trip Type
- Time
- Store / Brand Loyalty
- Expectations



PoB Environment
can help / hinder

3 shopper modes influence the Purchasing Behaviour

Desired outcome for each shopper mode:



Planned

Specific brand item on physical or mental list

- **Planned shoppers can find their planned purchases quickly and easily**



Semi-Planned

Category is on physical or mental list but no specific brand

- **Semi-planned shoppers are able to orientate themselves quickly according to where they "enter" the category (e.g. at format / pack type, price range, flavour, ingredient, need, functional benefit, occasion, demographic...)**



Impulse

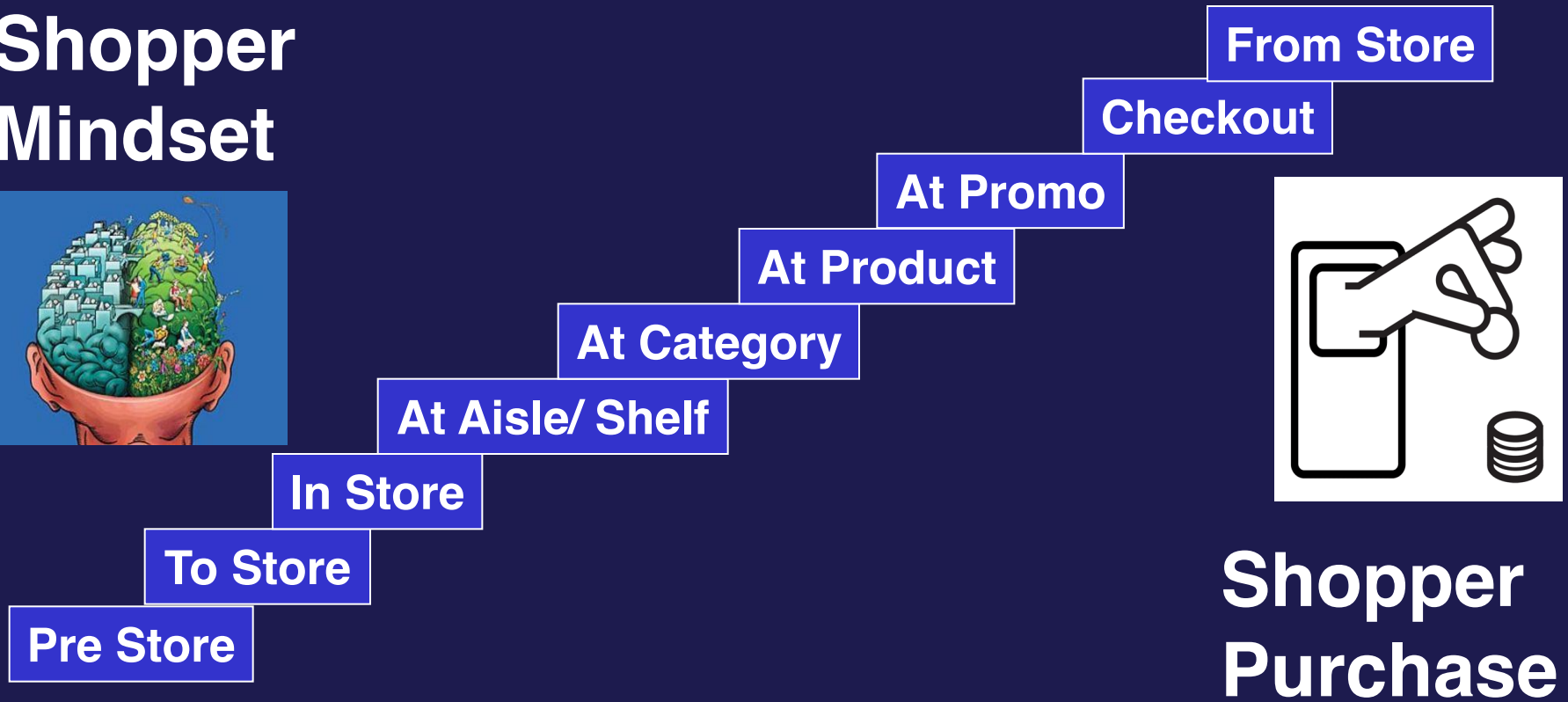
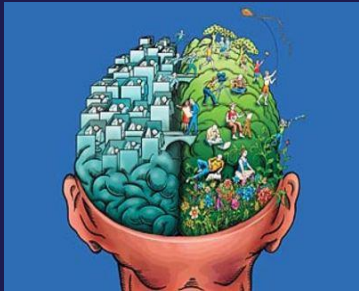
Neither category nor brand on physical or mental list

- **Impulse shoppers find something that quickly catches their eye – something that excites them and gives them a reason to buy**

Shopper path to purchase framework

Each step represents an opportunity to influence the shopper and enhance our and the retailer's offer

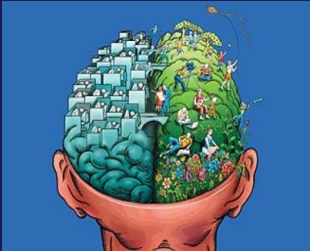
Shopper Mindset



Shopper Purchase

Step 1. Pre Store: 3 Key Considerations

Mindset



Shopping Mission



IMPLICATIONS FOR YOU

Recognize pre-defined mindset of shoppers

Base strategies on long-term trends

Base tactics on short-term trends

Base strategies on your retailer's Most Valuable Shoppers. Tailor our offer to the specific segment/s needs.

Base assortment and merchandising on the specific targeted shopping mission/s.

Step 2. To Store: 2 Key Considerations

Location



Location is usually
#1-3 driver of
store choice

What criteria are important when a shopper decide where to shop?

- Store Driver Analysis
- Shopping Habit Analysis
- Store Loyalty Analysis

Banner Equity

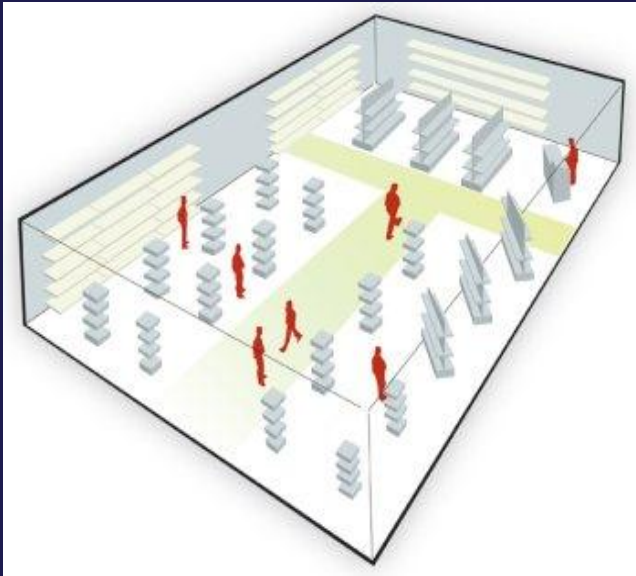


What does the banner signal to a shopper?

- Shopper Trends
- Banner Equity Studies
- Banner Perception Studies
- Shopping Habits

Step 3. In Store: 2 Key Considerations

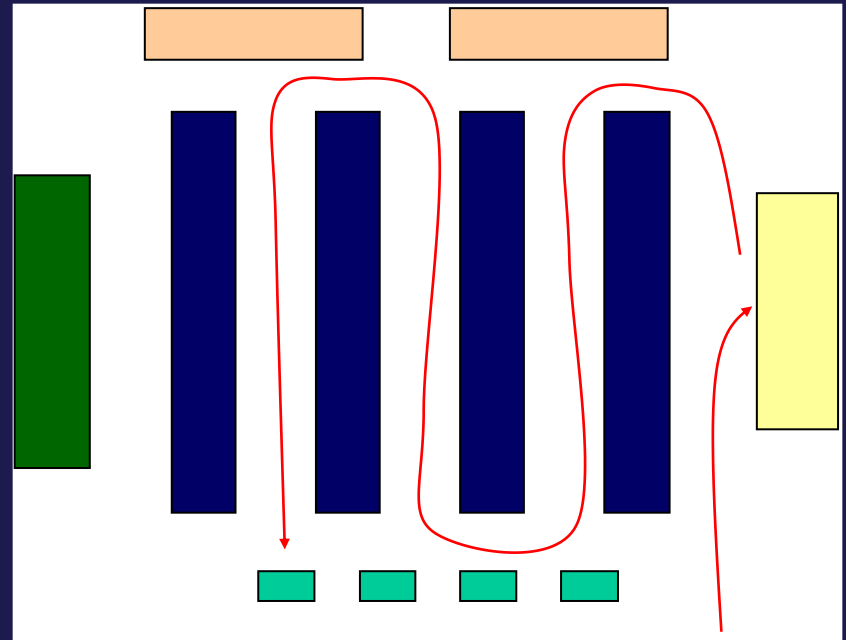
Store Layout



What is important in store for shoppers?

- Store Layout Analysis
- Shopping Zone Analysis

Shopper Path

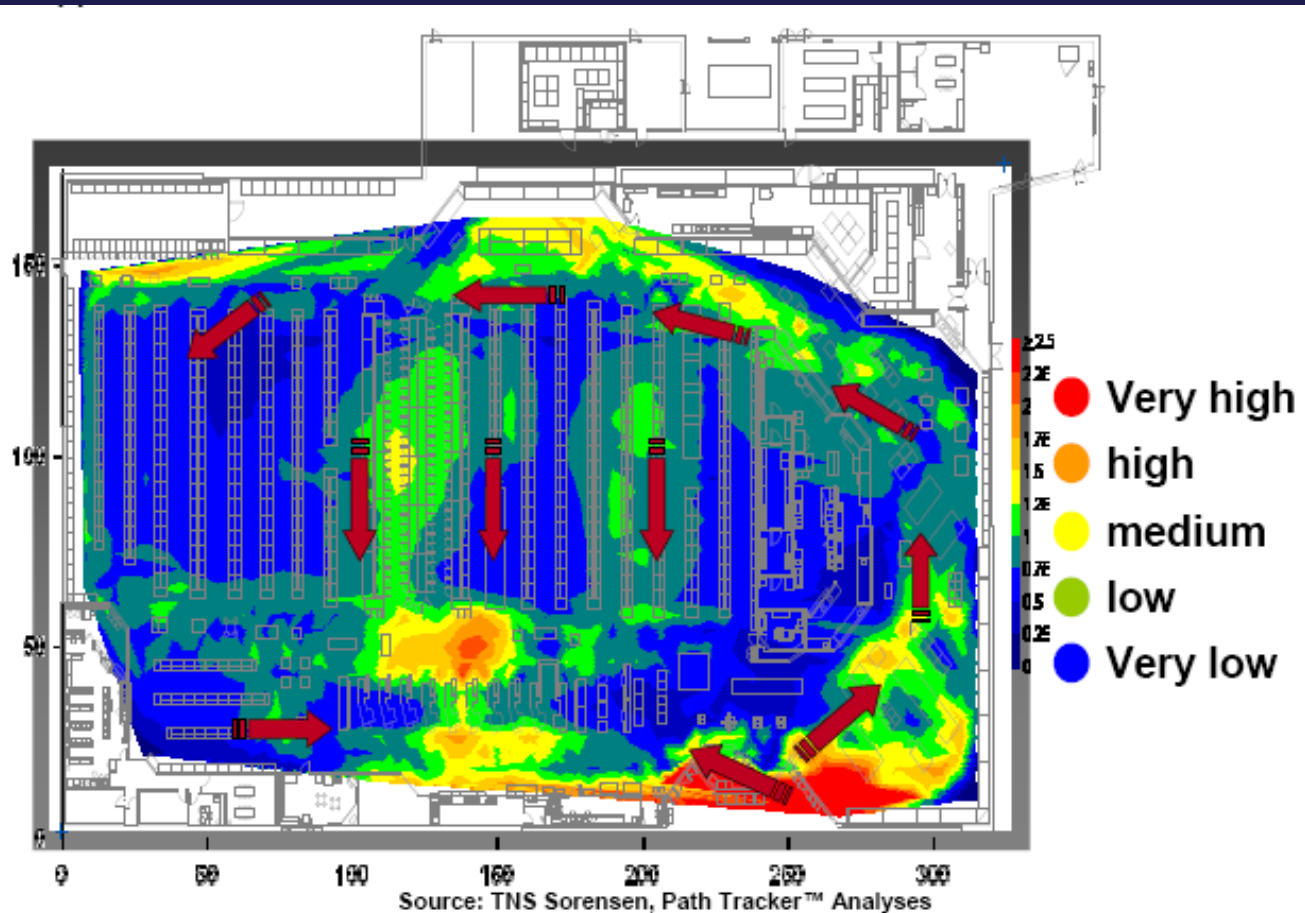


Which path do shoppers take and why?

- Shopper Path Analysis
- Touch points analysis

In store: Shopper Path showing hot spots

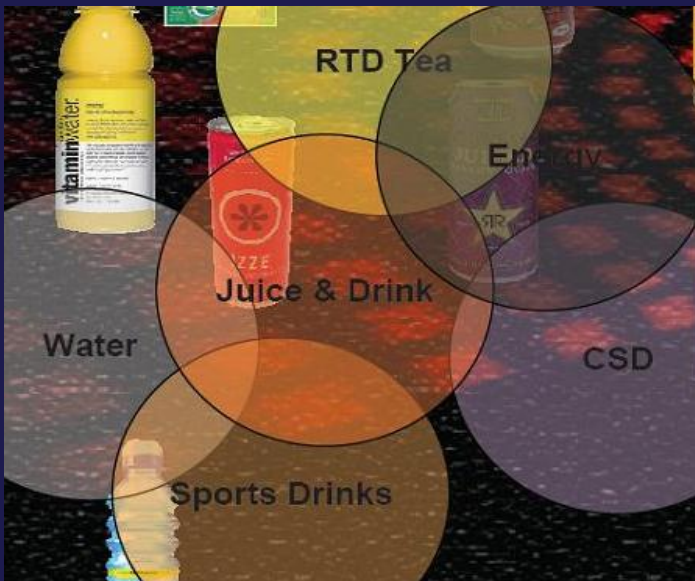
Which path do shoppers take and why?



You can increase sales by identifying hot spots along the Shopper Path and place our product where these hot spots are ...

Step 5. At Category: 2 Key considerations

Category Role & Definition



What is the shoppers frame of reference for the category?

- Category Definition
- Cross category Analysis
- Complementary Category Analysis

Category Assortment

Is category clear in shelf and easy to shop?

- Assortment Analyses
- Shelf share analysis
- Most Valuable Shopper
- Loyalty Card Data
- Decision tree analysis
- Virtual Reality



Step 6. At Product: 2 Key considerations

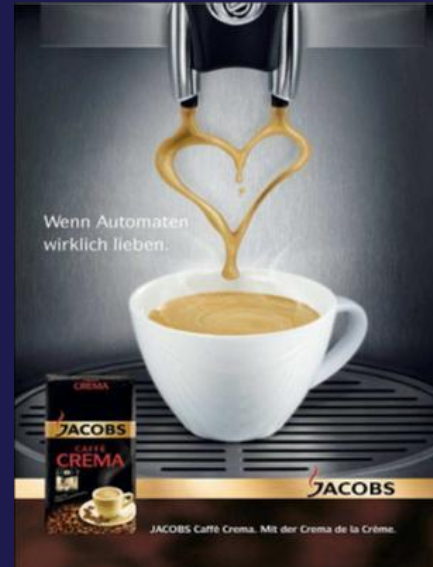
Finding Products



How easily can a shopper locate our products?

- Accompanied Shopping
- Eye Tracking/ Helmet
- Eye Tracking/ Virtual Reality

Choosing Products



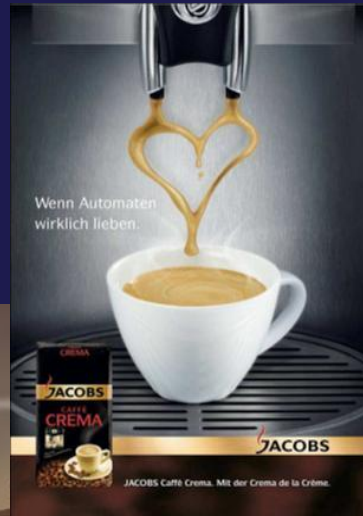
How easily can a shopper choose what to buy?

- Shopper Experiments
- Shopping Behavior
- Brand Equity Studies

Step 6. At Product: 2 Key considerations

➤ Desired brand experience vs. real in-store experience:

vs. real in-store



Step 7: At Promo – create the interruption

**Create
awareness
And
desire**

**Interrupt the
shopper's
journey**



**Create
emotional
connection**

**Connect
emotionally**



**Create
immediate
desire via
POS**

**Persuade
Shoppers**



**Close
the
Sale**

**Activate a
Purchase**



**Promotions to intervene in
one of purchase steps**

Communication vs. Purchase Barrier?

- A purchase barrier is an element of the product offering or retail environment that **prevents a shopper from purchasing a product**
 - It can occur in-store, at the shelf, or out of store for existing brands/products or new initiatives

Purchase barrier examples:

**LACK OF
INTEREST**

*"The brand (category) is
not of interest to me"*

**PERCEIVED
IRRELEVANCE**

*"I know your brand but I
don't need it now"*

**LOW BRAND
AWARENESS**

*"I don't know much about
your brand or the variants
you have"*

**POOR
VALUE**

*"I want your benefits but
its just too expensive"*

**LACK OF BRAND
VISIBILITY**

*"I want your benefit but I
don't see you in the
store"*

**CHOICE
CONFUSION**

*"I want your benefit but
can't find the right one for
my needs"*

**UNCONVINCING
BENEFIT**

*"I don't believe you can
deliver the benefit"*

**USAGE
UNCERTAINTY**

*"I don't understand what
your brand can do for
me"*

Addressing a Purchase Barrier – Lack of Interest



Addressing a Purchase Barrier – Lack Of Awareness



Addressing a Purchase Barrier – Lack Of Visibility



Addressing a Purchase Barrier – Unconvincing Benefit

+20% Lift in Sales



Aisle Traffic +28%
Conversion +16%
Category Sales +109%



Addressing a Purchase Barrier – Irrelevance



Addressing a Purchase Barrier – Poor Value



Addressing a Purchase Barrier – Confusion



Addressing a Purchase Barrier – Usage Uncertainty



Addressing a Purchase Driver – Call to Action



AT FIXTURE...



TV ADVERTISING



JOURNEY TO STORE



ARRIVAL AT STORE



AT THE FIXTURE



CROSS SELL



ONLINE EXPOSURE



ON THE PLATE



I am shopper...

...I like to be treated...with love and care!

Children First!



Special luxury from time to time

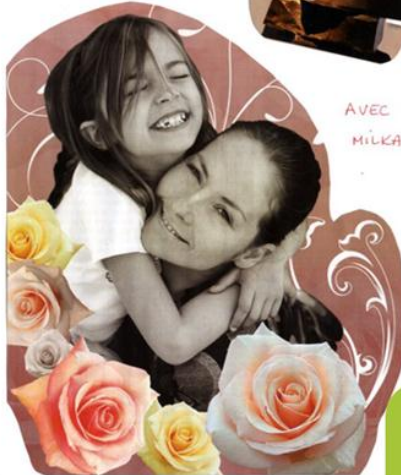
Simple things like a little attention from my husband and kid"

MILKA = It is as if angels are swimming in my mouth
Young Family, Serbia

Celebrating moments of Togetherness.

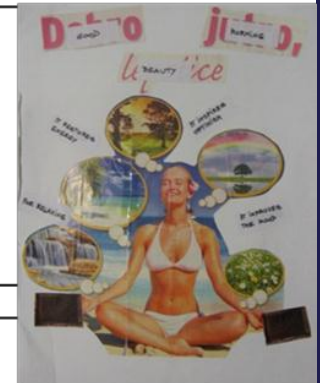


Sports & Arts



AVEC
MILKA

Reading & Leisure



Home CEO

To fulfil all our roles – mother, wife, colleague. You need to find a good balance



Tatjana, 38 years, substitute teacher,
She lives with her husband with 2 children.
HH-net income: 800-1200€ (her husband main contributor)
Belgrade, Serbia

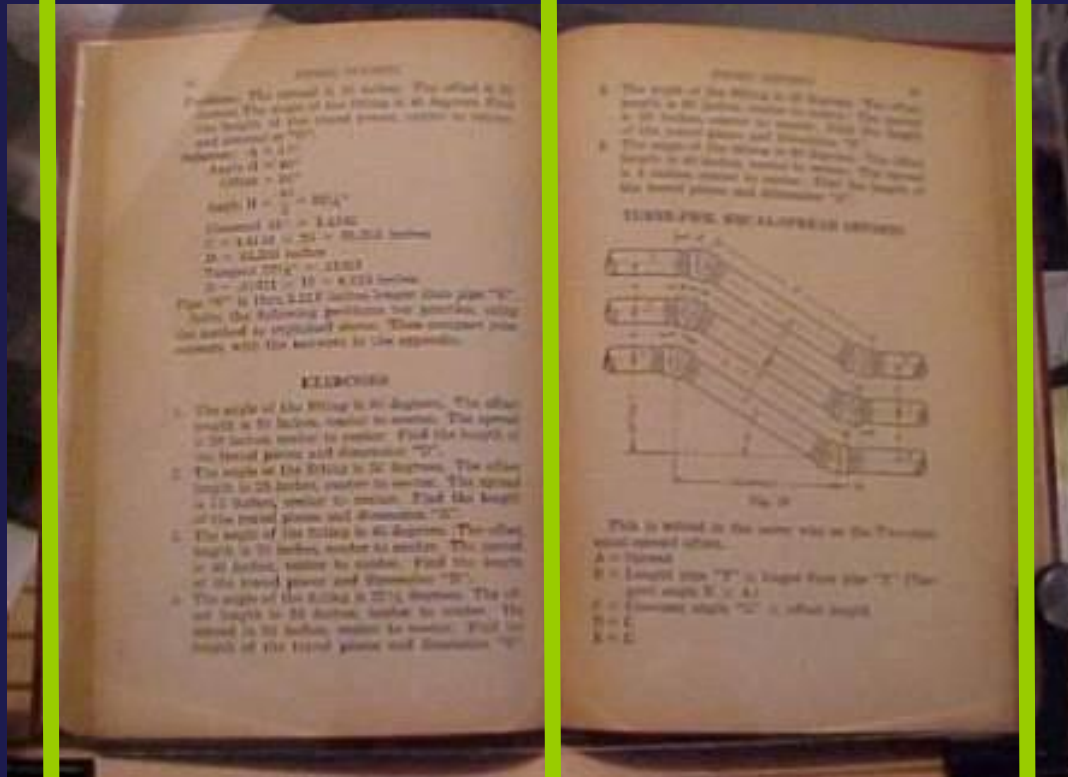
Pleasure

Bringing Pleasure to the Confectionery Aisle



Lawes Consulting
SEMIOTICS QUALITATIVE RESEARCH ETHNO-METHODS

Rule 1. Shelves are Pages



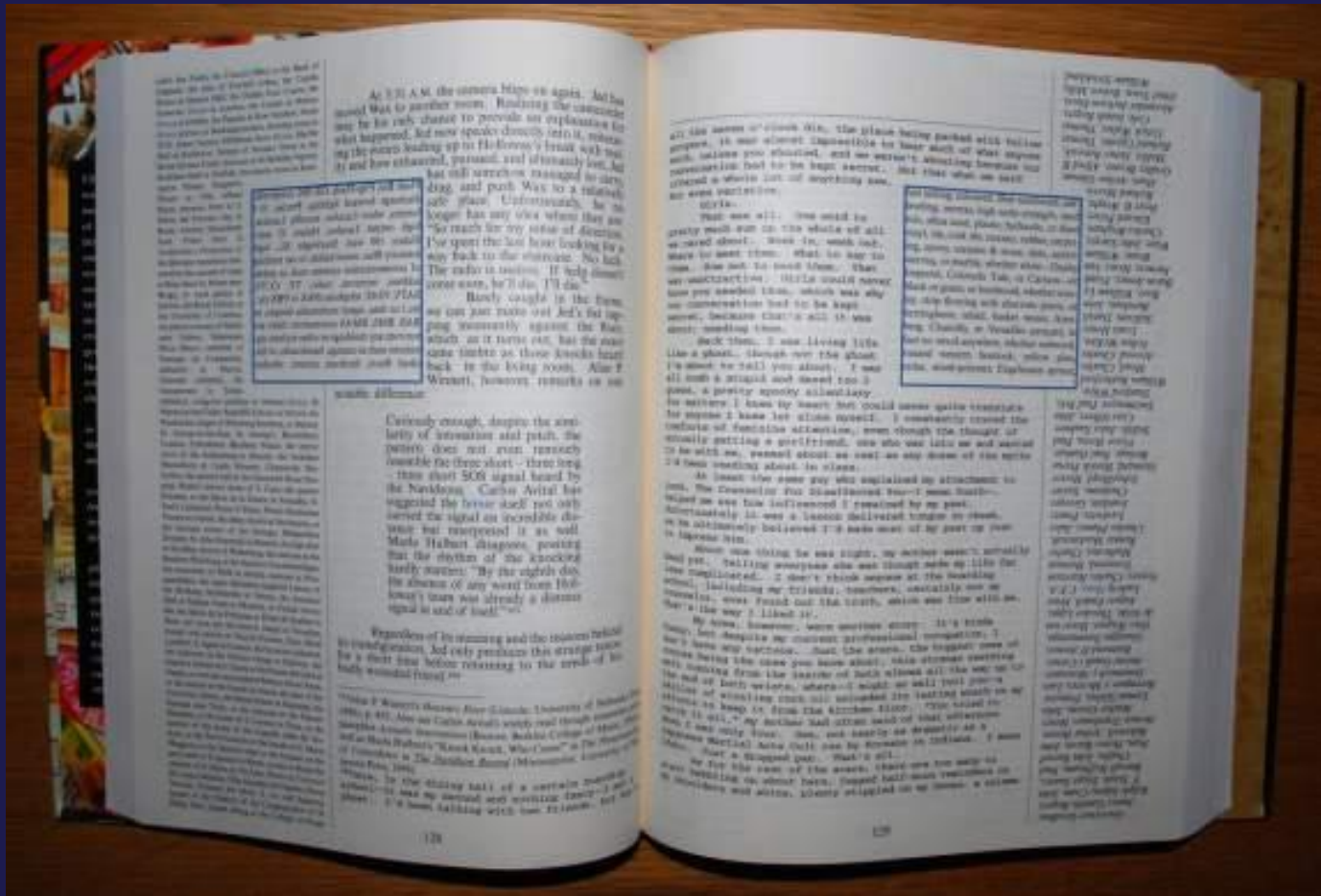
Distinct and bounded so the reader easily can see the order the sentences should be read in. Pages are consistently divided along the vertical axis and within each axis the reader moves from left to right and top to bottom.

Rule 1. Shelves are Pages



Here the consumer has to deal with a fixture divided both vertically and horizontally both of which cut across the other – there is no logic or order for the consumer, so they are more likely not to see products or give up on the fixture.

Rule 1. Shelves are Pages



Here are a couple of pages from an experimental book, called *House of Leaves* by Mark Z. Danielewski. In this book he breaks a lot of reading/writing conventions and as a result it is very, very difficult to read. Currently this is what many confectionery fixtures resemble.

Rule 1. Shelves are Pages



This fixture is heading in the right direction – each section is divided into a discrete ‘page’ that is easily distinguishable from its neighbour. It still feels like a commodity however...

Rule 2. Segment at Eye Level



There are a number of problems with these signs, firstly they are too high up/far back for consumers to see and secondly they don't line up with the units beneath them. It feels as though the signage and the shelves are two separate things.

Rule 3. Bus Stops are better than Fins



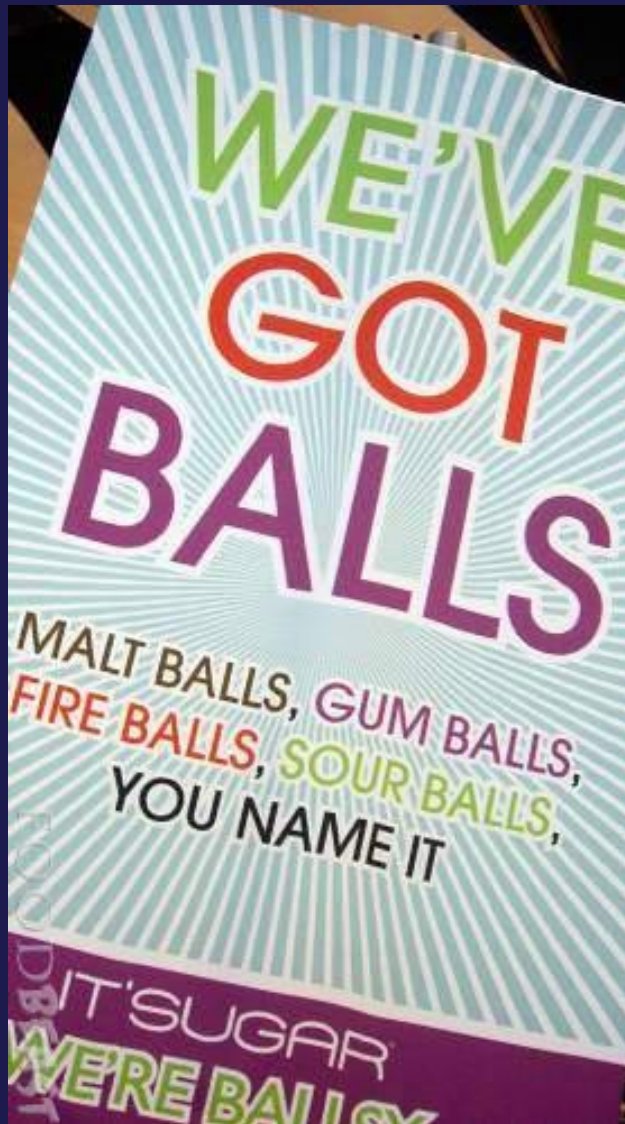
Fins while functionally useful for flagging segmentation to consumers, they do little to enhance pleasure – implying privacy and shame.

Rule 4. Invoke Pleasure



Don't do a
Happy Eater

Rule 4. Invoke Pleasure



It doesn't all have to be about indulgence – adult humour will strengthen confectionery's appeal to adults.



Rule 5. The Unified Aesthetic



This is much better. This is an example of a 'unified aesthetic'. The shelving matches the shelving uses the same colour and design as the banner above.

It would be even better if the shelving to the left and right was also this colour.

Rule 6. Confectionery can be Art



Nike display t-shirts and trainers as though they are objects of aesthetic interest, so why isn't confectionery displayed this way?

Rule 6. Confectionery can be Art

Cadbury can do 'art'



But it doesn't need to be restricted to special occasions, because every Cadbury occasion should be special!

Rule 7. Use Curves

Vertical Curves:

The convex, vertical curve, as a semiotic sign, connotes pregnancy. This is full of useful associations:

- Abundance
- Providence
- Fecundity
- Nature
- Femininity

It's also a generous, welcoming way to display confectionery, that breaks up the display and adds some 3D elements.



Rule 8. Be Interactive

3D fixtures encourage consumers to become more interested in the mystery and excitement of discovery because they can't take the fixture in in one glance.

Consumers have a more physical and therefore more engaging relationship with the fixture.



