Shopper Marketing

Retail Execution Excellence

Efficient and effective best practices to help you sell more.
Who are we?

Canada’s leading SHOPPER MARKETING EXECUTION COMPANY.

We execute your strategy

- **DIRECT MARKETING**
- **IN STORE POP**
- **FULLFILMENT**
- **MERCHANDISING**
- **EXPERIENTIAL & DIRECT SALES**
- **INCENTIVES & EVENTS**

Client logos include:

- Shoppers Drug Mart
- Molson Coors
- L’Oréal
- Ford
- Bell
- Metro
- The Home Depot
- Loblaws
- Danone
- Weston
- BMO
- Hershey’s
- Sobeys
- Heinz
- Coty
- CIBC
A Crime Occurs Daily

Average promo compliance rate of 30% or less
Pareto research reveals...

Compliance of POP and Display materials

<table>
<thead>
<tr>
<th>Category</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Drug</td>
<td>38</td>
</tr>
<tr>
<td>Automotive</td>
<td>38</td>
</tr>
<tr>
<td>Big box</td>
<td>34</td>
</tr>
<tr>
<td>Independents</td>
<td>32</td>
</tr>
<tr>
<td>CPG in grocery</td>
<td>22</td>
</tr>
<tr>
<td>Financial</td>
<td>21</td>
</tr>
<tr>
<td>Grocery</td>
<td>17</td>
</tr>
<tr>
<td>Average...</td>
<td>29</td>
</tr>
</tbody>
</table>

“It really depends on the promotion...it ranges from 50-60% for our top promotion to as low as 7-15% for summer promotions. My guess is that 30% is about right”
Shopper Marketing Manager of major CPG brand
5 Steps

There are five essential steps in the process of communicating an in store marketing strategy:

1. **Store Traffic:** We obviously need customers.

2. **Compliance:** Right message, Right time Right place.

3. **Noting:** Do shoppers even glance at a display? (only 17% notice according to POPAI / Mari Study)

4. **Engagement:** Having noted do they just glance or stop and absorb the message?

5. **Creative:** Do they take the action on the offer/message?
Above & Below the Line – Equally Important

Agency Photo shoot in Costa Rica for a week

Promotion production review in Richmond Hill
Program Execution

Optimize

Right Message

Right Place

Right Time

MEASURE/REPORT

POP/DISPLAYS

SAMPLING

INCENTIVES & TRAINING

MERCHANDISING

FULLFILMENT

Brand X

PROMO

PROGRAM STRATEGY & CREATIVE

Optimize

Right Message

Right Place

Right Time
Key points - Program Hurdles

• 30 leading US retailers surveyed. The biggest hurdles to launching a shopper marketing program are:

Execution and Measurement*

19% Measurement
15% Execution
14% Merchandising buy
12% Obtaining actionable insights
11% Compliance

*Marketing Lab Retailer-Activated Shopper Marketing Program Survey 2011
**POP & Displays**

**Use Science – Design for the Shopper**

✓ Repeat your message in 3-6 places to ensure they notice
✓ Use visual clues, consistently
✓ Shape of the sign, colour, as few words as possible
✓ Height (eye level at 3.5-4.5 feet high)
✓ Design for broad & narrow scan

**Design of your print – Efficient & Effective**

✓ Get in early with your customers – plan together
✓ Meet customer requirements & store environment
✓ Ensure the right substrates are used (wet areas, hanging etc)
✓ Templated modular solutions – change up, speed to market
✓ Customize by customer / banner, region, language
✓ Easy to build /assemble /ship/put up
Fulfillment – Kitting & Shipping

✓ Know your quantities and shipping data
✓ Where possible ship direct to store/avoid distribution centres
✓ Clear, easy instructions with image of setup
✓ Kit colour, bright stickers, attn to & install date
✓ Just in time delivery (lost if early or too late)
✓ Insist on real-time order tracking online
✓ Lost/replenishment rush orders
✓ Call centre/online support
Merchandising

Simply put...merchandising guarantees, right message, right place and right time.

✓ Training / clear instructions are key
✓ Provide background on campaign objectives
✓ Always capture intelligence, insights on your brand, competitors, retail environment, shoppers, out of stocks etc eyes & ears of your brand.
✓ Timely reporting for fast program adjustments
✓ Proof of competition with images and capture store manager satisfaction
Delivered & Setup late on February 15th
Merchandising - Benefits

- Consistent brand image & retail experience

- Reduce out of stocks – shoppers will try your competitor and might stick with them

- Reduce sell through, optimize promotion ROI and margins

- More time for your reps to build relationships with your customers
In Store Sampling

✓ Treat as an 'Experience‘ vs. just a sample distribution or a demo.
✓ Activate with 'attraction' and 'interaction‘ strategies that are relevant to the shopper.
✓ Profile reps - ensure reps are matched to brand and target.
✓ Detailed Training – go beyond PowerPoint decks and a conference call.
✓ Match messaging and POS with the experience.
✓ Go further, customize with booth wraps, uniforms, handouts or your product is just the 'tenant at the booth that day.
✓ Inventory management and store communication schedule is essential.
Survey says...

How do you measure execution in store? *

CPG Matters poll shows that only **21%** of companies actually measure compliance.

- Make assumption that the job got done: 28%
- Do not measure in-store execution: 23%
- Use an independent 3rd party firm: 21%
- Rely on program vendors' "self audits": 17%
- Other: 13%

Source: CPG MATTERS Instant Poll, 2009
*The definition used covers all forms of in store activity, not just displays but also planograms, pricing adjustments etc.
Insights, Measure, Report

“You cannot manage, what you cannot measure”.

- Ensure you track, measure and report at every stage:
  - POP/Shipping
  - Merchandising
  - Sampling
  - Incentives/Training
Summary

• Don’t assume it’s all getting done
• Guarantee your investment and results by going further
• Just do something more and start today!
Thank you!
Shopper Marketing 101: Execution Excellence: In-Store & Digital

Kerry Shapansky and Mike Kuipers- Pareto
Nikhil Sharma – The Nielsen Company
Digital Shopping: The Topline on Online

1. Digital influence on shopping

2. Considerations for marketers

3. Guidelines for success
Digital influence on shopping
'Digital' is widely pervasive in Canada today

**ONLINE**
- 84% online with high speed

**MOBILE**
- 85% with mobile phones
- 50% of mobile subscribers with Smartphones/Tablets
- 10%

**SOCIAL**
- 63% on Facebook
- 26% spend 6+ hours/week on social media

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(1) IAB Canada - "Mobile in Canada: A Summary of Current Facts + Trends", April 2012
(2) Homescan PanelViews, Social Media Survey, 2011
(3) Homescan PanelViews, Social Media Survey, 2010
(4) Nielsen Canada, BASES study
Digital advertising is growing quickly at +23%. In Canada this represents 16% of total media spend (US = 15%, UK = 29%).

**Advertising Revenue Growth – % Change**

- **Television**: 9%
- **Internet**: 23%
- **Daily Newspaper**: 4%
- **Radio**: 3%
- **Magazines**: 3%
- **Out-of-Home**: 16%
- **Other Media (catalogues, yellow pages, etc.)**: 1%

**Mobile (Ad placement-only, no production)**: 105%

**Total – All Media**: 7.4%
A good number of mobile internet users are responsive to advertising and online purchasing.

Mobile Advertising Exposure and M-commerce
Base: Canadian Mobile Internet Users, ever in month

- Recall seeing ads: 28%
- Scanned a QR/bar code: 16%
- Accessed Electronic Payments: 16%

(1) IAB Canada - "Mobile in Canada: A Summary of Current Facts + Trends", April 2012
Email communication is an important way for shoppers to connect with retailers

Do you currently receive any e-mail communication from the following sources?

- Loyalty programs: 59%
- Grocery retailers: 47%
- Big box store retailers (e.g., Home Depot, Best Buy): 42%
- Online recipe websites: 35%
- Drug store retailers: 30%
- Food or beverage manufacturers: 25%

(2) Homescan PanelViews, Social Media Survey, 2011
Social media engagement is high and not surprisingly 50-70% higher among the Under 35’s

Which of the following would you be willing to connect with through social media?

- Loyalty programs: 28% Total, 45% Under 35
- Grocery retailers: 25% Total, 36% Under 35
- Online recipe websites: 22% Total, 33% Under 35
- Big box store retailers: 20% Total, 29% Under 35
- Food or beverage manufacturers: 19% Total, 32% Under 35
- Health and beauty manufacturers: 16% Total, 29% Under 35
- Drug store retailers: 16% Total, 21% Under 35
- Pharma Companies: 10% Total, 14% Under 35

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Is impulse purchasing declining? No…but new tactics required to influence shoppers

Q: What are top ways you use information?

<table>
<thead>
<tr>
<th>Shop Their List</th>
<th>Impulse</th>
</tr>
</thead>
<tbody>
<tr>
<td>Coupons</td>
<td>‘My’ items Sales</td>
</tr>
<tr>
<td>Newspaper</td>
<td>✓</td>
</tr>
<tr>
<td>Paper at home</td>
<td>✓</td>
</tr>
<tr>
<td>Retailer email</td>
<td>✓</td>
</tr>
<tr>
<td>Store site (computer)</td>
<td></td>
</tr>
<tr>
<td>Store site (tablet)</td>
<td></td>
</tr>
<tr>
<td>Social</td>
<td>✓</td>
</tr>
<tr>
<td>Kiosk</td>
<td></td>
</tr>
</tbody>
</table>

Source: Nielsen Digital Circulars Survey, Q2 2011
Source: Nielsen Homescan
To develop an effective digital strategy, marketers must influence decisions along the entire ‘path to purchase’
Considerations for Marketers
Shopper marketing tactics changing

CUSTOMIZATION

AUTHENTIC ENGAGEMENT

PRECISE SEGMENTATION

LOWER COST
Retailers like Safeway are personalizing and integrating value-added content leveraging their ‘just for u’ platform

It's all about me
Brands can add value to existing purchase journeys and drive pre-store choices in their favor by leveraging digital marketing tools such as search engines, text ads, flyers, and landing pages. A study by MyWebGrocer found that:

- +50% higher click-through rate for brand search campaigns using 'on sale' messaging in their ad.
- 1 out of 7 shoppers who reached the landing page added a brand product to their online shopping list.

Source: MyWebGrocer
Mobile devices enable personalization by delivering digital content consistent with shoppers’ preferences.

**Likelihood Top 10% Redeemed Over Bottom 10%**

Nielsen Mobile Coupon Pilot, 2011

<table>
<thead>
<tr>
<th>Test - Sorted in order of relevance</th>
<th>Control - Sorted in random order</th>
</tr>
</thead>
<tbody>
<tr>
<td>7.1</td>
<td>1.3</td>
</tr>
</tbody>
</table>

**Demographics of Pilot Participants**

Index of Pilot App Downloaders to US iPhone Overall, 2011

- **Age:**
  - 18-35: 71
  - 36-49: 123
  - 50-65: 135
  - 66+: 95

- **Children in Household:**
  - Yes: 143
  - No: 68

Note: Redemption results are preliminary and will be updated at the pilot is finalized.
Social media and consumer reviews ‘level the field’ for smaller brands

Impact of Ratings & Friends

Brand Advocacy

Source: Amazon.com
… engage shoppers with the ‘right message’

**Diapers**
- Trendsetters: 46%
- Digitally Engaged: 74%
1. Searching for Coupons
2. Reading a Flyer/Circular
3. Looking for Deals

**Coffee**
- Trendsetters: 23%
- Digitally Engaged: 45%
1. Browsing Online
2. Looking for Deals
3. Searching for Coupons

**Laundry Detergent**
- Trendsetters: 22%
- Digitally Engaged: 43%
1. Searching for Coupons
2. Comparing Prices
3. Reading a Circular/Flyer

Source: Nielsen Category Shopping Fundamentals Research, Q4 2011
Case Study: Baby Food

Social Networking Sites help formulate purchase intent.

Blogs and Social Networking Sites help in discovering products or brands & help to decide what to buy.

Circulars/Coupons Received At Home help consumers plan shopping trips.

Store Circulars and Coupons provide the best access to deals and promotions and drive purchases.

Websites and Emails provide information on features.

55% 65%
Digitally engaged shoppers can be very rewarding - both for manufacturers and retailers

Average Category Spending (Per Household - $)

<table>
<thead>
<tr>
<th>Traditional</th>
<th>Digital</th>
</tr>
</thead>
<tbody>
<tr>
<td>$30</td>
<td>$41</td>
</tr>
</tbody>
</table>

+36%

Average Trip Spending (Per Household - $)

<table>
<thead>
<tr>
<th>Traditional</th>
<th>Digital</th>
</tr>
</thead>
<tbody>
<tr>
<td>$207</td>
<td>$263</td>
</tr>
</tbody>
</table>

+27%

Source: Nielsen Analysis of Homescan Online Data, Q4 2011

(1) Define based on actual visitation to baby care websites (e.g. diapers.com)
Guidelines for success
Winning principles for digital shopper marketing

1. Discriminating tastes
2. The digital ‘new math’… 1 + 1 = 3
3. A new ‘digital shelf’ emerges
4. Create advocates, not mercenaries