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What Is Shopper Marketing, Anyway?

K-C, MediaVest Among Those That Define It as a Legitimate Brand Builder

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BATAVIA, Ohio (AdAge.com) -- It seemed as if the \$2 billion-plus field of shopper marketing would earn full respectability when Nielsen Co. set plans for Prism, a measurement system that would finally put it on the same playing field as TV.



Walmart's newly revamped system, the Walmart Smart Network, is an attempt to dive deeply into ROI numbers for specific ads.

But when Nielsen put the system on indefinite hiatus last month in the face of marketers' unwillingness to foot the bill, it once again raised questions about whether shopper marketing really is a legitimate medium akin to TV, print or even couponing. It also raised an even more basic -- and rather scary -- question, considering double-digit growth rates in shopper marketing and the number of agencies and resources that have sprung up to support it: Just what is shopper marketing, anyway? Is it really a form of advertising that takes place in store? Or is it a gussied-up name for trade promotion or temporary price reductions designed to move product, often at the expense of brand equity?

The Grocery Manufacturers Association summed up the conundrum perfectly in a 2007 report: On one hand, it projected that package-goods marketers were increasing spending on shopper marketing faster than on any other medium, while on the other it conceded that shopper marketing had no generally accepted definition.

Drawing an estimate from earlier research from Deloitte Consulting and the GMA and available industry marketing-spending figures, shopper marketing accounts for about 7% of package-goods marketing budgets, or more than \$2 billion. But it could easily top \$10 billion annually by the most expansive definitions, which would include trade-promotion spending by manufacturers and shopper-marketing outlays by retailers.

RETAIL MARKETING

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No standard for measurement

[The suspension of Prism](#) -- an acronym for the ambitiously named Pioneering Research for an In-Store Metric -- left open the question of what shopper marketing is, though it seemed to answer the question of what shopper marketing is not: a medium with industry-standard audience measurement. And that could be a problem, said Danielle Bottari, senior VP-director of shopper marketing for Publicis Groupe's MediaVest, New York.

"Right now, there's this sort of chaos in the in-store world, a Wild Wild West that no one really wants to touch because they're scared there's no common thread there," Ms. Bottari said. "Now that [Prism is] gone," she added, "we feel that it opens the road for us to create that research and measurement for our brands in a way that's going to be more relevant for them."

Of course, MediaVest has a lot invested here. It is a partner with Walmart on its newly revamped in-store TV network, the Walmart Smart Network, and its proprietary system for measuring return on investment. Walmart's system aims to do some of what Prism did by diving deeply into return-on-investment numbers for specific ads.

But Ms. Bottari pointed out that shopper marketing isn't just in-store media; it includes communication outside the store. MediaVest's definition is "any stimuli or any marriage of a brand with a shopper or consumer along the shopper continuum which turns them from consumer to shopper to buyer."

A common language

That's not unlike how Kimberly-Clark Corp. defines it. And much like other package-goods companies such as Procter & Gamble Co. and Unilever, K-C -- with or without Prism -- increasingly has brand marketers, consumer-promotions marketers and trade-marketing executives sitting around the table speaking what they hope is a common language by doing integrated communications planning.

K-C officially defines shopper marketing as "integrated-marketing programs based on a deep understanding of shopper attitudes and behaviors designed to build equity for the brand and differentiate the retailer while the consumer is in shopper mode and prepared to make a purchase," said Mark Scott, VP-sales and shopper marketing.

K-C has shopper-marketing executives both on sales and brand teams. And in its integrated marketing planning, in-store marketing often ranks among the top communications channels, alongside TV or other more-traditional consumer media.

But shopper marketing at K-C often has nothing to do with newer sorts of in-store media such as TV or kiosks or cellphone coupons. K-C often finds the tried-and-true tactics of off-shelf display and sampling -- or, in the case of a recent display for Kleenex Lotion tissues, displays that included a sampling component -- work best.

In other cases, shopper marketing also involves redesigning whole departments, as K-C recently did for Safeway's baby-care aisle, using virtual-reality design tools with its consumers and a test store in Neenah, Wis., to develop a section kids and moms would want to spend more time in.

Neither sexy nor easy

But virtual reality aside, shopper marketing often is neither sexy nor easy, even when it works. When the Association of National Advertisers visited the topic at its annual convention last October, it was among the last sessions on a relatively thinly attended Sunday morning. There, Lisa Klauser, VP-brand building and marketing excellence for Unilever, and Stephen Vowles, senior VP-marketing for Stop & Shop, went a long way toward defining shopper marketing by laying out the lengthy planning process and execution for their ongoing joint program.

It included a collaborative process to identify a shopper segment both sides needed to reach and a marketing program with everything from ads in Real Simple magazine to offers delivered through Unilever's Home Basics database-marketing program and deals that offered deep discounts for multiple purchases of Unilever and Georgia-Pacific products.

"It's a lot of time and a lot of investment," Ms. Klauser said, but she added, "It was the largest sales spike [from a shopper-marketing program] we had seen in two years [and an ongoing program] which has been phenomenally successful for Unilever and Stop & Shop."