THE ULTIMATE GUIDE TO IN-STORE MARKETING: GROCERY STORE EDITION

insignia™

On the Path to Purchase

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Know Your Customers. Own the Aisles. Be a CPG Hero.

Driving in-store sales for CPGs (Consumer Packaged Goods) is a complex challenge. CPG brand managers, promotion planners and agencies are tasked with creating consistent and compelling in-store marketing experiences no matter where their customers are shopping and no matter what brands they're competing against.

WHY WE CREATED THIS IN-STORE MARKETING GUIDE

Even if your in-store marketing budget is modest, the knowledge you need to spend your resources wisely is a powerful advantage. That's why we created this: a complete, up-to-date resource that gives you a firm grip on the current in-store marketing landscape for products sold in grocery stores.

This guide is intended to give brand managers and marketers like you a fresh perspective and provide you with actionable advice and links to resources that go into even more detail—but it's meant to be read by any professional whose work touches on the in-store marketing experience.

We've tried to avoid the stuffy white-paper format and present our insights in an engaging, digestible format you can share with your colleagues to get everybody on the same page. We understand that some roles benefit from a firm grasp on the big picture and others require dedicated focus on specific issues, and we've written this guide to be accessible to professionals at every level. So enjoy, share, and let us know what you think. Read this, use this, make it your own.

ON THE PATH TO PURCHASE

It's a long road to success for CPGs and their brand managers. That road has a name: the path to purchase.

You may already be familiar with the landscape of in-store marketing, but the rise of integrated marketing practices means that professionals at every level of brand management can benefit from a greater awareness of the big picture. In the modern CPG marketing landscape, a unified brand message is the key to triggering final purchase decisions.

We'll discuss the complete path that shoppers take to, through and beyond the store as they make purchase decisions.

IN-STORE MARKETING: INDUSTRY STATS

Products in the CPG category are varied and include many goods sold in grocery stores and supermarkets: gifts, household goods, school and office products, and especially processed food and beverages.

In 2012, according to Nielsen, American CPG sales were $640B. Research by the Point of Purchase Advertising International (POPAI) conducted in 2012 indicates that 76 percent of grocery shopping decisions are made by consumers while in the store.

LONG LIVE THE PATH TO PURCHASE

The path to purchase is a model that describes how shoppers make decisions.The concept has been around for more than a century in many forms. That means the following two statements are almost always true: The path to purchase is on its way to becoming an obsolete model. And understanding the path to purchase is more important than ever.

A paradox? Not necessarily.

It's been more than a century since advertiser Elias St. Elmo Lewis developed the first path to purchase, which he summed up with an acronym: AIDA. Since then, the path to purchase has been depicted as a line, a funnel, a circle—the concept is constantly evolving as markets change and new ideas replace old assumptions.

In 1898, Elias St. Elmo Lewis developed AIDA to explain how effective advertisements lead to purchases. Today, these principles are applied to virtually every form of advertisement and marketing. Nice job, Elmo.

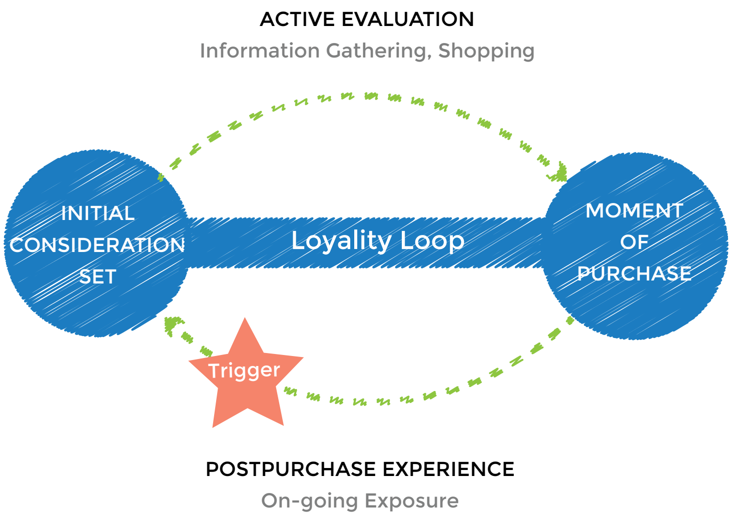
AIDA
THE ORIGINAL PATH TO PURCHASE

1. Attention – "The mission of an advertisement is to attract a reader, so that he will look at the advertisement and start to read it,"
2. Interest –"To interest him, so that he will continue to read it,"
3. Desire– "Then to convince him, so that when he has read it he will believe it."
4. Action—Elmo added this step years later when he realized that it would be even better if people took action to buy his products instead of just wanting them.

GOING IN CIRCLES FOR FUN AND PROFIT

Consulting firm McKinsey & Company proposes that the path to purchase is circular based on their examination of 20,000 consumers across five industries and three continents.

McKinsey identifies four phases representing points where marketers can either win or lose:



1. The consumer considers an initial set of brands, based on brand perceptions and exposure to recent touch points
2. Consumers add or subtract brands as they evaluate what they want
3. Ultimately the consumer selects a brand at the moment of the purchase
4. After purchasing a product or service, the consumer builds expectations based on experience to inform the next decision journey

First, a consumer identifies a need and begins to consider options for satisfying that need. Second, a consumer engages in research, discovering new options and rejecting those that don't measure up. Third, a consumer reaches the ultimate point of purchase, when a final decision is made and acted on. Fourth, the customer develops an opinion on the product they've purchased, which will influence their behavior the next time they need a similar product.

"MOMENTS OF TRUTH"

Even though the entire path to purchase is relevant for CPG brand managers, there are three critical moments in the cycle where the stakes are even higher. These are called "moments of truth."

The Zero Moment of Truth (coined by Google) – This is when a consumer recognizes a need and goes online to research something they want to purchase.

The First Moment of Truth (coined by P&G) – This is when a consumer is at the grocery aisle deciding whether or not to purchase a specific brand or product.

The Second Moment of Truth (coined by P&G) – This is after the consumer has started using a product. The resulting experience (positive or negative) impacts future purchasing decisions.

THE FIRST STEP: NEEDS AND WANTS

The path to purchase begins with the identification of a need.

Thirst. Boredom. Hygiene. Not having enough chocolate. These are all natural human needs that CPGs aim to satisfy.

Of course, the consumer belief that a need exists can be impacted by CPG companies through their marketing communication and branding efforts. After all, who really needs coconut water? Yet, Vita Coco was able to drive demand for it. CPGs can—and do—create demand.

THEY CAN'T WANT YOU IF THEY DON'T KNOW YOU EXIST

Satisfying fundamental or manufactured consumer needs is just the starting point. Once a need is identified, products and brands compete intensely to be top-of-mind for consumers. Out-of-store advertising drives grocery purchase decisions by both raising awareness and driving demand.

Traditional media—print, broadcast and billboards—establishes and sustains an ongoing awareness of products, while other methods may be used to generate demand and lead directly to sales—direct mail, for instance, and increasingly email and mobile marketing.

Every brand wants to be the first name on everybody's lips when their product category is mentioned. Many fail. But the path to purchase is complex, and brand competition is stiff at every step. There are other opportunities for CPGs to impact consumers before—or after—they enter a store.

STEP IN STORE WITH ELMO

Here's our 19th-century friend Elias St. Elmo Lewis again—Elmo for short. He'll be demonstrating a complete path-to-purchase process, conducted entirely in-store.

In the First Step, Elmo visits a grocery store because he's thirsty. He's hoping to purchase a nickel's worth of lemonade, but something catches his eye: the soda aisle. Elmo decides he's in the mood to try this new-fangled beverage all the young people seem to enjoy.

Elmo is choosing to seek a new way to satisfy a familiar need based on a chance encounter. He's still interested in a citrus flavor, so he quickly narrows his options to 7-Up and Sprite.

CLASSIC STRATEGIES FOR STEP ONE

Paint a Picture

Successful brand managers have a firm grasp of “the who” –the persona of their target consumer. It can be extremely helpful to literally develop a persona—to paint a picture of the “who” you’re attempting to influence.
What does she look like, what kind of clothes does she wear, where does she live, what does she drive, how many kids, dogs, cats, birds, etc., does she have—and, of course, what does she like to eat and where does she buy her groceries?

Stay Connected—Online and Offline

The Internet and social media channels mean that you have no excuse not to know what consumers are interested in. Taking steps to stay connected with your market is critical and can be as easy as identifying certain keywords to track via online tools. Hootsuite is one of the most popular solutions for monitoring Twitter mentions. Google Alerts was once the undisputed champion of tracking mentions across the entire Internet but at present the service is not being actively maintained by Google, so it’s best to investigate alternative services. It can also be worthwhile to manually monitor various online groups on Facebook and other platforms. There is real value in taking advantage of these new channels, but no technology will ever substitute for observing shoppers in the real world. If you’re serious about influencing the path to purchase in-store, the insights you need aren’t on Twitter. They’re waiting between the aisles.

Step Outside Your Comfort Zone

Don’t limit yourself to focusing just on your product category. Great ideas can come from anywhere and often do. What if a phone could also be a computer, and a camera, and an alarm clock, and…? What if we just mixed the peanut butter and jelly together in the same jar? What if we turned the ketchup bottle upside down so the ketchup was always ready to pour immediately? What two—or more—thoughts might you bring together to create something entirely new and truly intriguing?

21st CENTURY SUCCESS

Leverage YouTube to Make an Impact

Old Spice is famous for making the transition from expensive network television ads to astounding online exposure. The brand from yesterday has jumped into the 21st century thanks, in part, to its use of YouTube videos that became a viral hit. Old Spice’s “The Man Your Man Could Smell Like” boasts over 46 million views. The popular television commercials were a gateway to a rich world of online content.

Traction Through Twitter

Think Twitter won’t work for CPG marketing? Fair enough, Twitter probably isn’t the marketing messiah that social media gurus make it out to be. But some brands are actually gaining measurable results in sales. Brands like Wheat Thins, Little Debbie and Dr. Pepper have built loyal followings and plenty of buzz through engaging posts, contests and targeted connections, keeping their brands top-of-mind for tens of thousands of fans with just a few hundred characters of text each day.

Who Says You Need a Web Site?

Grey Poupon made what some may feel was a radical step when it made its Pinterest profile its main website. Whether the move will be a success or not remains to be seen, but bold moves can build brands!

THE SECOND STEP: IT'S ALL ABOUT CHOICE

It’s not enough to create brilliant advertising campaigns and hope that consumers are positively impacted simply by awareness. In the second step, the consumer is actively engaged in choosing a product and is looking for information to base their choice on.

Today’s consumers are concerned not only about the quality of the products they buy, but about the values of the companies that produce those products.

CHANNEL SURFING

Frontline advertising and in-store marketing must be aligned with many other communication impacts that include the experiential and word-of-mouth. Effective brand management involves a strategic approach to managing all of these channels, some that can be directly controlled (your own advertising), some that can be influenced (media reports), and some that should be monitored and potentially impacted (social media).

Consumers may conduct their own research on brands when they’re making a choice—often online. Sites like SUPERMARKETGURU are go-to sources for information. In addition, consumers share information directly through social media channels like Facebook, Instagram, Pinterest and others.

Increasingly, consumers have a very good idea of what they want to purchase before they ever step foot in the grocery store- but even so, research shows that the majority of final brand decisions are still taking place in-store, where the range of potential influences is far more restricted.

ELMO'S PATH

In the Second Step, Elmo must make a brand selection between 7-Up and Sprite using only his limited knowledge and the information available to him in-store. The 7-Up can features an endorsement from the creator of the original medicinal formula for 7-Up, Charles Leiper Grigg. Grigg claims that the soft drink will provide relief from gout, rheumatism, and kidney stones. Elmo can’t resist the combination of a somber gentleman in a suit and a powerful ally in his fight against gout. 7-Up it is.

WHO DO YOU TRUST

If a consumer believes they can rely on their own experience, they can easily make a choice—that’s why McKinsey’s model bypasses this step when loyalty has been earned. Otherwise, they’ll seek advice they can trust.

Here are some common sources, from most to least trustworthy.

1. Friends, acquaintances, colleagues
2. Media reports, whether print, broadcast, or online
3. Social media channels
4. Advertiser messaging

Less trustworthy doesn’t necessarily mean less influential. When confronted with equivalent products many consumers will choose one they’ve at least heard of, if only through advertising.

Brand owners must carefully review and manage all possible inputs—those they control and those they can only hope to influence.

CLASSIC STRATEGIES FOR STEP TWO

While digital is hot, it's important to remember that successful marketing requires a consistent message conveyed through an integrated approach across multiple channels that incorporates both the traditional and the new age—and that take into consideration the power of word-of-mouth and consumer-to-consumer influence. What can you do now to influence in-store consumer behavior?

Make a List

List all of the possible communication vehicles that could reach your desired target market—that's right, all of them. Then prioritize that list to focus on the top channels likely to work well in concert to connect and compel.

It is also worthwhile to manually monitor various online groups on Facebook and other platforms and to stay up-to-date through trade journals and publications.

Lurk and Learn

The yin/yang of the Internet is that you can monitor your competitors—and they can monitor you. If you're not dedicating time to monitor your competition's activities online and offline, you should be.

Borrow Somebody Else's Megaphone

Whether through blogs, online groups or journalists, the more you can do to get others to spread the good word for you the more effectively you'll influence your target market. Successful bloggers with large lists of followers can be the perfect target—here's what one prominent blogger looks for in a pitch.

Generate Buzz

Social media provides a powerful way to get everyday consumers talking about your product and that's exactly what you want them to do. CPGs can drive conversations through social media channels using contests and competitions or with provocative and compelling original content. The goal?

WHAT MATTERS MOST?

Issues related to the environment, ethics and politics are driving purchase decisions more than ever before thanks to increasing awareness and interest from consumers. An ethnography study conducted by BBMG, a brand innovation studio identified five values that drive conscious consumers:

1. Health and Safety
2. Honesty
3. Convenience
4. Supply Chain Relationships
5. Doing Good

While shoppers still put a priority on price and quality, these five values play a significant role in driving their decisions.

To get these messages to go viral and spread beyond your established base of followers. There's no formula for success in "going viral," but here are some basic principles:

1. Take a stand—even a controversial one—on a timely topic.
2. Err on the side of providing useful information or pure entertainment versus traditional "advertising."
3. Do something unexpected! People are more likely to follow a brand that shows a spontaneous and human side.
4. Incorporate visuals and video.

21st CENTURY SUCCESS

Let's Party!

In 2012, Kraft was a recipient for its House Party campaign. The campaign capitalized on the oft-used "home party" approach popularized by direct sales organizations. Kraft invited consumers to apply to host a party. If selected, hosts received a "party pack" with products and coupons. Parties focus around specific brands and generate buzz through traditional and social media. In March 2011, Kraft announced a partnership with HSN and TV personality Todd English to promote Philadelphia Cooking Crème. The campaign leverages both Kraft's communication power and the power of thousands of consumers spreading the word through their live parties and online sharing.

Add a Twist to the Tried and True

Traditional advertising methods still work despite the prevalence of new media. But sometimes a 21st century modification can yield exceptional results. That's what Doritos did with their "Crash The Super Bowl" campaign, inviting consumers to create and submit their own ads online. Winners were aired during the big game

Get Real

Social media has been embraced by brands large and small. General Mills launched a "Hello, Cereal Lovers" campaign through Facebook that has generated more than 300,000 followers. The company also uses Twitter, Instagram and Tumblr to tout its products. A surprising detail: these channels also mention and highlight rival cereals. "It is important for us to be authentic and recognize what [consumers] want to share and hear about," says Marketing Director Carla Vernon.

BE CAREFUL OUT THERE!

While social media certainly offers ample opportunities for brand managers, those opportunities don't come without risks. Skittles learned this the hard way when it turned its main web site page into a search redirect for #skittles on Twitter. This opportunity offered in good faith was soon found and targeted by online ne'er do wells, who instigated a campaign of mockery that turned into a serious online debate about whether Skittles cause cancer—which, of course, they don't.

That sounds like a disaster, but was it? True, some people got taken in by cancer claims and other unsavory tweets, but just as many called the campaign a stroke of genius that quickly landed the brand at the top of Twitter's trending topics.

THE THIRD STEP: THE POINT OF PURCHASE

The consumer is now ready to seek the product they have identified as desirable (or spot it as they browse store aisles). In this search and seek process in-store marketing plays a large role. If a new product is not available and visible on the store shelf but familiar brands are the result may not only be the loss of a sale but the loss of a loyal brand consumer.

Seems straightforward, but the realities of the shopping experience can be quite complex. For instance: Suppose you've done all you could to get your product on the shelves but demand is so high that your product is out of stock when buyers seek it. Good problem to have? Not necessarily. Predicting and managing supply and demand are critical steps in the sales process.

FIRST IMPRESSIONS MATTER

Access is one part of the equation. Impact is another. Impact can be an issue before the product is even on shelves. Colgate Kitchen Entrée anyone? How about Cocaine Energy Drink? Sometimes the name alone is enough to turn off the consumer—but not always. There's no debating the success of Grey Poupon.

Even if they do bite (pun intended), what if your product just lacks appeal? That's been the downfall of many well-known and well-publicized product fails, from Frito Lay's WOW chips (which not only didn't taste good, but famously led to "unfortunate gastric issues" as well), to Zima, a beer alternative that despite a lot of marketing "oomph" quickly became more recognizable as a punch line than a beverage.

How about baby food for adults? Who would even think that might be a hit? Well, Gerber did—unfortunately, they were wrong.

And, of course, who could forget the epic fail of "New Coke" – even college students, most born well after the event which occurred in 1985, "remember" the occasion as though they experienced it.

EASY TO SEE AND LOOKING GOOD

The bottom line is that the most expertly delivered communications, even if they generate high demand, mean nothing if the product itself is either unavailable or unappealing.

For CPG companies selling their products through grocery stores, the goal is straightforward, yet exceedingly complex: the product should be available and visible to consumers through targeted in-store marketing, appealing at first glance and of sufficient quality to develop positive associations in the public mind. These are the keys to impacting consumer choice in-store.

INVESTING IN-STORE

In most cases (76% to be exact), the path to purchase begins as soon as a consumer steps through the sliding glass door and ends at the register. Below are some tools and tactics that can help a product stand out amongst the rest.

Integrated Marketing – Integrated marketing communications is a tool used by CPGs and others to ensure that consumers have the opportunity to be exposed to consistent marketing messages throughout the path to purchase. Make sure any messaging and packaging in-store is consistent with out-of-store efforts.

Coupons – See this step's Classic Strategies for more information on the current state of couponing.

Prizes – Contests, competitions and prizes have long provided a cost-effective way to influence consumers in-store. Would you rather buy a 100 Grand Bar, or a Snickers that offers you a chance to really win $100,000?

Signage – In-store signage is critical because it is the last step along the shopper's path to purchase. Signage with price is proven to be 2-3 times more effective than simple graphic-only (aka: "equity") signage.

Displays – Displays within certain categories have become a mainstay for seasonal and specialty items. The most common are called "in-and-outs" or "shippers," displays placed in strategic locations in-store to grab attention and drive impulse purchases.

Owning "Real Estate" – Aside from the war of brands most consumers see in advertising, there is a larger battle waged behind the scenes. Space on the shelf is precious and CPGs pay a premium for that space (known as slotting) to retailers for more product facings at eye-level.

STEP IN STORE WITH ELMO

In the Third Step, Elmo is on his way to the register when he passes a display dedicated to a product he had overlooked in his hurry: Mountain Dew.

Elmo pauses to reconsider his choice. He knows he wants a strong citrus flavor. If Mountain Dew is yellow, and lemons are yellow, surely Mountain Dew has the most lemon-y flavor? Elmo came here to taste citrus, not cure gout. Mountain Dew is clearly the soda for him.

CLASSIC STRATEGIES FOR STEP THREE

Give Them a Taste

In-store product sampling can be a great way to engage with consumers and overcome any hesitancy they may have about buying a new product (or one with an unusual name). It may not be a revolutionary in-store marketing tactic, but it works.

Cut Them a Deal

Want to get big results in-store? The easy answer is coupons, direct mailed to homes, available in-store and, increasingly, accessible on a variety of mobile and digital platforms. But the easy answer isn't necessarily the best.

Coupons offer low prices for consumers but they can come at a high price for CPG brands, and not just in terms of tighter margins: The more often a product is available at a discount, the less willing consumers will be to pay full price. At best, this means reducing profits in exchange for increasing market share. At worst, relying on coupons can degrade brand equity and lead to an ugly race to the bottom.

Coupons still have value when employed strategically, and emerging digital couponing platforms may reinvent the practice as superior targeting methods allow for greater impact with less compromise on perceived brand value. But we're not there yet. Make sure your coupons are helping you to achieve your financial goals as much as they help your customers.

Provide a Clear Line of Sight

If you update the packaging consumers see on the shelf, but haven't changed it in your media messaging, you've got a problem. Such subtle disconnects can spell disaster for your in-store marketing plan.

21st CENTURY SUCCESS

Develop a Mobile Strategy

Mobile is all the rage these days, but like any tactic, it needs a well-planned strategy. Create your strategy based on your overall goals, alignment with other communications and consideration of how best to impact in-store behaviors. With smartphones proliferating, an app can boost your brand and build some buzz. Kraft Foods iPhone Assistant offers recipes, food ideas and a built-in shopping list—tied to Kraft products, of course.

Keeping Up With In-Store Trends

Habits and preferences are constantly changing, and these factors have a strong but subtle impact at the Moment of Truth. Marketing Daily has an excellent summary of some key trends affecting food and beverage CPGs, detailed in an original report from The Hartman Group. For example: Children are increasingly influential in making purchase decisions related to meals, and more than 11% of food and drink purchases by adults are consumed within one hour of purchase.

Tag-Team It!

Two heads—or brands—can be better than one, as some savvy brand managers have discovered. Teaming up with another, complementary, brand can be a great way to make inroads into new markets, or to delight existing ones. For example: Breyers ice cream teamed up with brands like Snickers and Chips Ahoy! to offer Breyers Blasts! The Art of Shaving, a high-end skincare products company, developed a $150 luxury razor which is only compatible with Gillette blade cartridges. Bonne Belle and Dr. Pepper joined forces to offer a soda-flavored LipSmacker, a hit among teen girls. Who might you team up with to provide a new product twist?

THE FOURTH STEP: EARNING LOYALTY

Purchase and use are the flywheel of the purchase cycle. Satisfying the consumer creates brand loyalty which leads to positive word-of-mouth and perpetuates the cycle. Create dissatisfaction and a brand loses not only the one dissatisfied consumer, but also any other potential consumers who hear that consumer's unfavorable opinion.

In years past dissatisfied consumers might have shared that experience over the backyard fence or at the water cooler with a few close acquaintances, but today they can air their grievances online where they can do far more damage.

Those brands that successfully brave the consumer purchase decision gauntlet are able to earn customer loyalty.

The consumer goods industry is an extremely competitive one both in terms of product categories (will consumers prefer bottled water, soft drinks or iced tea?), and in terms of specific product brands (Coke or Pepsi?). Consequently, consumers develop brand loyalty not only to specific products, but also to product categories. Brand managers' concerns include both attaining new customers and, critically, maintaining existing customers. As the old saw goes: it costs far more to acquire a new customer than to keep one you already have.

STEP OUTSIDE WITH ELMO

In the Fourth Step, Elmo is finally ready to leave the store and enjoy a taste of Mountain Dew.

He loves it. Elmo becomes a loyal brand evangelist and adopts an extreme-to-the-max lifestyle of snowboarding and whitewater rafting. The next time he enters a grocery store, he knows exactly what he's going to buy—and what he's going to tell all his friends to buy.

CLASSIC STRATEGIES FOR STEP FOUR

Solicit Feedback

Don't just expect consumers to give your product a shout out; encourage them to. Actively solicit feedback through your online and social media activities—and be prepared to respond to the good, the bad, and the ugly! And speaking of ugly...

Turn a Bad Situation Around

Research has shown that successfully responding to negative feedback can actually boost customer loyalty. You should move quickly to engage with any detractors, but do consider whether you'd be better served by addressing the feedback in a public forum like your brand's Facebook page or resolving the situation one-on-one offline.

Create Consumer Billboards

What greater endorsement than consumers who willingly endorse your brand by wearing your logo on their back (or front, or hat, or...)? Joe Camel is probably the most notorious example of this. R.J. Reynolds certainly took some heat for their successful merchandising but there's plenty of opportunity for less controversial products: Coca-Cola is a classic example.

21st CENTURY SUCCESS

Build an Online Community

CPGs that successfully build engaged online communities can drive shoppers to their brands. Jell-O has a massive online presence on Facebook with more than 670,000 followers—it doesn't hurt that they share great recipes! Pinterest, once seen as a "let's plan a wedding/decorate our house" destination, has grown into a visually oriented sharing opportunity for brands like Oreo, which features their cookies as "edible art." (But watch out Oreo, Nilla wafers may have you beat!). These communities are not only a way for brands to get their message out, they're also a great way to encourage satisfied customers to personally share their positive experiences with their networks.

Think Small to Win Big

Consumer research backs up the notion that underdogs can have an advantage. Recent research from the Boston Consulting Group and IRI based on an analysis of 400 leading US CPG manufacturers shows that the big players are not, necessarily, outpacing their smaller competitors. In fact, the analysis suggests just the opposite—small and mid-size companies are gaining significant share from larger players. Consumers are quicker to develop loyalty to small, niche-oriented products and the "big guys" are leveraging this trend—Unilever now owns Ben and Jerry's ice cream, for instance.

Earn Loyalty by Rewarding Loyalty

Loyalty programs can keep customers coming back for more. Starbucks, for instance, extended its loyalty card program to the grocery store in 2013. Consumers who buy bags of specially marked Starbucks whole-bean or ground coffee are eligible for Starbucks Rewards card points. Customers earn one star for purchasing the coffee and need 12 stars to earn a free food or beverage item at a Starbucks retail store.

But like coupons, loyalty programs are a double-edged sword. Lousy rewards and high barriers to entry make a program unappealing to consumers, while meaningful rewards and a relaxed attitude to data collection make for a less profitable program. Moreover, consumers are getting tired of loyalty programs. Though the average U.S. household subscribes to nearly 22 different loyalty programs (up from 18.4 in 2010), only 9.5 of those memberships – less than half – are currently active.

WHAT DOES SUCCESS LOOK LIKE?

Success can be measured in a variety of ways all tying back—from a best practice standpoint—to the brand manager's original goals and objectives. Those goals and objectives drive strategies and tactics that, ultimately, generate some sort of result. Ideally, those results should reflect the end point you were looking for.

While it often seems simple enough, and models like McKinsey's provide insights into the path to purchase, success can be elusive. And, of course, the environment—both in terms of consumer preference and communication technologies—continues to shift.

A GLIMPSE AT THE FUTURE

Research from SymphonyIRI Groups' Times & Trends report "2012 CPG Year in Review: Finding the New Normal" highlights trends in consumer behavior and how it impact CPG growth. Some key trends reported include:

1. Shoppers are reducing the number of channels (stores) they visit.
2. Despite positive economic signs, shoppers remain focused on value.
3. The millennial market is growing in importance. They represent 50 million shoppers and many are at the stage in their lives when they form habits and loyalties.
4. "New media" is rapidly becoming "traditional"—it's a marketing element that CPGs can't afford to ignore.

Based on the insights gathered through their research, the SymphonyIRIGroup recommends the following actions:

1. Employ frequent and granular market assessments to understand economic, channel and consumer shifts.
2. Create and promote a value proposition based on the needs and wants of primary and high-growth consumer segments.
3. Develop a solid understanding of the most important shoppers and gear marketing practices toward growing share and loyalty among these shoppers.
4. Constantly reevaluate marketing programs to ensure relevance and impact.

Despite the challenges faced by CPG companies to attract and retain attention and loyalty from consumers in a cluttered media environment, and while pundits tell us that less than 10 percent of new product introductions succeed, there are some success stories that we can learn from.

BIG WINNERS

Nielsen's 2013 "breakthrough innovation report" identified 14 consumer packaged goods (CPG) winners that launched successful products in 2011 by traveling the path to purchase. All, according to Nielsen, used "demand-driven insight" to identify and leverage "unarticulated desires, partially expressed needs and recurring frustrations in consumers' lives." If you were an American consuming almost any kind of popular media or shopping at a grocery chain since 2011, some of the winners should be familiar to you:

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- Allegra Allergy
- Reese's Minis
- Milo's Kitchen Home-Style Dog Treats
- Skinny Cow Candy
- Mio Liquid Water Enhancer
- Velveeta Cheesy Skillets
- Colgate Optic White
- Magnum Ice Cream
- Dannon Oikos Greek Yogurt
- Monster Rehab
- Downy Unstoppables In-Wash Scent Booster
- Sparkling Ice
- Fiber One 90-Calorie Brownies
- Special K Cracker Chips

NAVIGATING THE PATH TO PURCHASE

For CPG companies and their brand managers, the path to purchase is both leveraged and challenged by a wealth of opportunities to connect with the market. Some key takeaways:

Consumer research backs up the notion that underdogs can have an advantage. Recent research from the Boston Consulting Group and IRI based on an analysis of 400 leading US CPG manufacturers shows that the big players are not, necessarily, outpacing their smaller competitors.

In fact, the analysis suggests just the opposite—small and mid-size companies are gaining significant share from larger players. Consumers are quicker to develop loyalty to small, niche-oriented products and the "big guys" are leveraging this trend—Unilever now owns Ben and Jerry's ice cream, for instance.

- As Elmo said, AIDA rules: brand managers can't go wrong by continuing to focus on attracting ATTENTION, generating INTEREST, fueling DESIRE and, ultimately, fueling some ACTION—in our case, a sale.
- Needs drive demand, but CPGs can play a role in creating that demand by strategically leveraging their own—and consumers'—communication about their products.
- Communication activities must be integrated and—critically—must be aligned with the in-store experience. If not, all of those efforts may be wasted.
- Successful marketing requires a consistent message conveyed through an integrated approach across multiple channels that incorporate both the traditional and the new.
- Visibility on the store shelf begins with visibility in the minds of consumers—that means multiple messages delivered in multiple ways.
- Loyalty is inspired by delivering on the "brand promise"—the best communications in the world won't drive consumer loyalty unless the product experience delivers.
- Engaging consumers in the creation of buzz can fuel the flames of desire and demand.
- What goes around comes around: start with the end in mind by establishing clear and measurable goals and then deliver on those goals through strategically aligned communication efforts.

It's a competitive world out there, yet many brands still survive and thrive. This guide provides a number of actionable "to do's" and compelling examples of how others have paved the way.

insignia™

Insignia Systems, Inc.
8799 Brooklyn Blvd. | Minneapolis, MN 55445 | 1.800.874.4648
communications@insigniasystems.com
insigniasystems.com