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Shopping Aisles at Cutting Edge of Consumer Research and Tech

They Learned It From You: Marketers Working to Better Understand Supermarket Psychology

By Emily Bryson York Published: March 15, 2010

CHICAGO (AdAge.com) -- Warning: After reading this story, you might feel like a lab rat the next time you are in a supermarket.

Cameras could be monitoring the time it takes to you browse the aisle and put that box of Mac 'N Cheese in your cart. The purchase itself might have been driven by one of Kraft's "mom cues" designed to tug your heartstrings in the store. Or your motivation may have been an idea from its iFood Assistant that you downloaded in the store. Researchers might later examine your purchase data and household information and pair it with economic models to determine that the store is only getting 10% of your package-dinner dollar -- and look for ways to build that up.



MOMENT OF TRUTH: Kraft has created what it calls 'mom cues' in the aisles depicting enjoyment and togetherness. It's hard to pinpoint how much is spent on shopper marketing, but estimates range from \$3 billion to as high as \$18 billion. The Grocery Manufacturers Association said in 2007 that manufacturers would boost their shopper marketing dollars by 21% each year through 2010.

A lot of shopper programs were once focused on shelf sets, end-aisle displays, promotional programs and the like. But in recent years, marketers have put a lot more energy into understanding the psychology behind how and why consumers buy. To that end, they are employing a cadre of technologists and scientists to uncover consumer needs and emotional states.

Much of it is driven by retailer consolidation, media fragmentation and increasing marketing savvy among grocers that is forcing food marketers to provide category insights and individualized marketing programs for each retailer. Ultimately, the goal is one-to-one marketing with an understanding of what shoppers want when they're at Walgreen's, Walmart, Kroger or Whole Foods, and what kinds of shopping trips they're likely to make for, say, in-between-holiday-party meals in December when gas prices are over \$3.00.

More eyeballs

A recent report from GMA, Booz & Co and SheSpeaks pins shopper marketing at 5% to 10% of an average company's marketing budget. That's over and above the 60% to 70% of the pie already going to trade promotion, which funds coupons, discounting, and other promotions. And retailers want more, based on the understanding that they can guarantee more eyeballs on a weekly basis than a host of network TV programs.

"You're talking about the finales of 'Seinfeld,' 'Lost,' and 'American Idol,'" said Jesse Spungin, VP-shopper marketing at ConAgra. "They're all walking through Walmart every week." ConAgra has doubled its integrated-customer-marketing team, which includes shopper marketing, shopper insights, category leadership and in-store marketing, in the past four years. Shopper marketing alone has grown from a team of four to 18. The integrated customer marketing team now gets 20% of the company's advertising and promotions budget.

The problem, according to Jon Kramer, CMO at Alliance Sales & Marketing, is that retailers and manufacturers don't exactly have shopper marketing down to a science yet. "It's the wild, wild West right now in terms of how you define shopper insights and how you turn those into action," he said.

Andy Murray, worldwide CEO, Saatchi X, said that now is the time for retailers and manufacturers to be testing and learning. They won't be done, he said, until they can mirror experiences like those on Amazon, which suggests complimentary purchases for every item put in the shopping cart. Mr. Murray maintains that 85% of purchase decisions have an emotional basis. For that reason, Saatchi now has a psychologist and an anthropologist on staff to analyze shopper data.

A can of soup might seem unlikely to make your heart beat faster, but Campbell Soup begs to differ. It measured pulse and respiration and used eye-tracking research, in tandem with traditional interviews, to revamp its labels so that they elicit a more emotional response. The company has also recently redesigned store shelving systems to make that object of desire easier to find.

Smaller tech

Philip McGee, director-shopper insights at the soup maker, explained that moms have individual "budgets" for time, frustration, emotion and cost every time they walk into a supermarket. They're willing to spend 60 seconds looking for a can of condensed soup. If they find it in 15 seconds, they'll stay for the remaining 45 and "do some exploring," he said. And that's what drives incremental purchases.

Mr. McGee said that Campbell has been able to bring these technologies, which have been around for a decade, into more frequent use because the data can now be analyzed faster on the spot on a laptop rather than a supercomputer. The pulse-monitoring device now looks more like a chest strap than a backpack. And Campbell is not alone in pursuing this line of research. Danica Konetski, senior director-shopper insights and analytics at ConAgra, said the Omaha company is also trying out some of these technologies, though they are not standard repertoire.

Laura McCorvie, senior VP-customer growth and shopper marketing at Kraft, declined to provide specifics about its neuromarketing tests, but noted that the marketer has updated its iFood Assistant so shopping lists can be accessed offline. The company does hope that subsequent iterations will allow more in-store interaction, and thereby provide deeper insights.

But Kraft is working emotions, too. The company has identified "deeply rooted psychological attachments" to its Macaroni & Cheese, not just to the brand, "but also to the occasion of shopping for your children," Ms. McCorvie said. As a result, Kraft has created what it calls "mom cues" depicting enjoyment, togetherness and "the satisfaction of a job well done."

Retailers, too, are looking to play to consumer psychology. Walmart's "Smart Network," rolling out as the chain remodels supercenters, features screens that play full audio/video ads. The digital displays can be adjusted to suit the mood; in-store analytics provider DS-IQ, for instance, can facilitate ad shifting based on scanner data. Chris Hoyt, president, Hoyt & Co. said such displays could start appearing at supermarkets in a year or so.

'Moment of truth'

Hershey President David West hinted at possibilities associated with digital signage in a speech last month, noting that the marketer and a handful of retailers were experimenting with different methods of queueing at the point of sale. The retailers' names have not been disclosed, and Hershey did not immediately respond to requests for further comment.

Mr. Kramer's organization is employing Shopper Gauge technology, which employs a video camera and shelf-pushing technology to monitor traffic, engagement, body language, dwell time and the "moment of truth" when a shopper plucks an item from the shelf.

Robert I. Tomei, president-consumer and shopper insights at Information Resources Inc. in Chicago, maintains that the best shopper insights come from scanner data. IRI pairs this with household information and years of purchasing data gleaned from loyalty cards, and layers on economic models that project consumption and purchasing patterns.

Much of the work being done to measure a consumer's mood or emotional state has been focused on the shelf, based upon the shopper-marketing old mantra that some 70% of purchase decisions are made in store. But Mr. Hoyt argues that shopper marketing must start in the home, with digital entreaties that reach consumers while they're making out shopping lists. It's insulation for marketers from "the wavering hand," as consumers eye lower-priced or sexier merchandise. But, he said, it has to continue all the way to the point of purchase.

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