

A winning omni-channel approach

By <u>Stefan Abro</u> 26 Oct 2017

Effective engagement with today's shopper is a constant challenge considering that they have numerous avenues to research products and brands before making a decision. But, it can be done, and numerous retailers are getting it right.



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There is added pressure for marketers to close a sale for products that are available on almost every corner and the shopper's expectations in terms of brand selection, price, convenience and the overall shopping experience has escalated.

To meet the consumer's ever changing demands, a winning marketing strategy has to include an omni-channel approach – that is to market across as many platforms as possible. This increased reach amplifies the opportunity for ads to be seen, for higher engagement levels and ultimately improves a brand's chance of being purchased.

Recent research by Kantar worldwide suggests that the uplift from multi-channel campaigns increase as much as 35% when deploying communication across five touch points versus one. This was based on a study by the Advertising Research Foundation in 2016 which analysed 5,000 campaigns across 1,000 brands in 41 territories.

Marketers are increasingly expected to provide consumers with a seamless experience, whether engaging through a physical store, a website, through its social media pages or via a mobile app. With this 'always-on' culture of connectivity pervading the retail environment, it's essential for marketers and retailers to understand the shopper while focusing on the correct touch points and at the right moment throughout the omni-channel path to purchase.

In-store marketing

A brand's in-store marketing strategy is a key component of any omni-channel approach when connecting with consumers. The in-store environment is a significant marketing touch point in its own right, offering multiple engagement points through POS, in store radio channels, shopping apps, printed brochures, loyalty cards etc.

In most cases, a shopper's physical path to purchase begins as soon as a consumer steps into the store and only ends at the till point. Brands need to ensure that shoppers have the opportunity to be exposed to consistent marketing messages throughout their journey along this path of 'doorstep to till'.

By way of example, consider the personal care category. How many soap brands are presented to a consumer standing in the aisle trying to decide on what soap to purchase? If that consumer has been exposed to a particular brand as they walk into a shop through pop-up banners, directional signage, an advert on in-store radio, a promoter in the aisle or digital coupons, the chances of that brand being purchased is amplified even without taking pricing structures into account. In this value chain, what sort of message should the brand deliver when a consumer is paying at the till?

In-store marketing messages should reinforce what the shopper has been exposed to outside of the physical store utilising branding, colours, packaging and characters that consumers recognise and trust. Therefore brand imagery used for instore point-of-sale (POS) material should be consistent with the imagery used in the ATL and digital platforms. This allows different platforms to operate in maximum synergy. Copy used for POS elements needs to be clear and concise in order to prompt the desired call to action.

The fundamental rule of "3, 4, 5" still applies when developing impactful in-store marketing material. The message has to be absorbed and understood in less than three seconds, be visible from four paces away and said in less than five words. The logic is sound; however, it is often easy to fall into the trap of trying to say too much.

In order to avoid this common pitfall, marketers need to bear in the mind the objective of their in-store messaging and which media type ultimately motivates or closes the sale. The use of simple, distinctive brand assets that are memorable and attractive provide sensory and semantic cues which trigger an instinctual response from shoppers. This simple methodology has a proven track record in terms of the impact on product sales in a retail environment.

Numerous studies have shown that consumers in many product categories make the bulk of their final brand decisions within the store itself, in fact as many as 70-80% of purchase decisions are made in-store. Products such as everyday Consumer Packaged Goods (CPG's) are characterised by low involvement and low brand loyalty. That is, these products are generally bought habitually and require minimal effort and consideration on the part of the consumer prior to purchase.

Brand assets

In his 2010 book, How Brands Grow, Byron Sharp, Professor of Marketing Science at the Ehrenburg Bass Institute (EBI) highlights the importance of availability. His rationale encompasses both physical availability of the brand on-shelf but also mental availability. He suggests that brand consideration is not as much considered as it is emotional which means that a brand must be thought of, or mentally available, when a consumer is shopping.

Sharp believes the key to success is creating consistent, easy to remember brand assets which will, over time, created distinctive memory structures which will bring the brand front-of-mind when the consumer is shopping in a particular category.

This approach does contradict the notion that brand loyalty is the only thing that really matters. Remember the old adage that 80% of your sales come from 20% of your customers? Sharp's research, after studying brand after brand, category after category, indicates the number never got higher than 50/20.

These viewpoints on brand loyalty and growth allude to the idea that if "loyal" consumers aren't really that loyal then the best way to grow is to increase sales from people who currently "care less" about your brand than the loyalists. It stands to reason then, that new users or light users represent the biggest incremental sales uplift for a brand and marketers.

This thinking can be expanded to other, non-CPG categories as well. Apple for example, has a legion of fans who would snap up anything brandishing the famous logo. Apple's enormous success, however, has not been built on a small section of loyal consumers. They have ensured that they get smartly designed devices in the hands of as many people as possible by advertising their brand to as many people as possible.

The Mac had a small but loyal cult following when they were launched but the iPhone today has become a global phenomenon. This is a case in point where substantial growth isn't about squeezing more money out of loyal consumers but by trying to attract new ones.

Whether you are of the opinion that building brand loyalty is paramount or agree wholeheartedly with the aforementioned Professor Sharp, maximising the effectiveness of each and every touch point along the long and winding path to purchase is crucial to a brand's success.

The in-store environment still remains a fundamental touch-point on the shopper's journey. There's no question that the retail store has always been a crucial final stage of decision making, and research has shown that for most categories, the majority of final purchase decisions are made at the shelf. All that is required is a little nudge, often, across as many instore points as possible.

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