

Knowing the Shopper

The German original of this article was first published in Markenartikel 11/2012.

Everyone who plans promotions in food retail should know what makes the customers tick who shop at the respective retail format. If this is the case, marketing activities can be specifically tailored to the customers' needs.

The term Marketing was used for the first time at universities in the United States between 1905 and 1920. In Germany, Ludwig Erhard organised the first marketing seminar in 1935. What started initially as "Lehre der Absatzwirtschaft" – the theory of distributive trade – has noticeably progressed over the course of the past decades. As a result, there are several specialists today who work on targeted processes of different coordinated marketing fields. For a couple of years now, the shopper marketing approach has been attracting more and more attention by commerce and industry for strategic market cultivation. This approach focuses on the shopper and respective activation measures.

Identifying Relevant Target Groups

Successful marketing must know its target groups and gear its activities towards them. Admittedly, consumers have been exhibiting multioptional behaviour more often than ever before, with an increasing disposition to spontaneous decisions. Nevertheless, grocery shopping features many aspects that make it possible to segment them into stable types of shoppers.

Market segmentation plays a central role in marketing. According to Art Weinstein (1994), it is considered the key to commercial success as it specifically enabled the basic principle of marketing in the first place, namely the consistent focus on consumers' preferences.

On the one hand, market segmentation consists of defining the market to be segmented and the process of market allocation as well as market cultivation on the other hand, which is the selection of segments to be targeted by means of suitable marketing instruments. Market segments should be developed in such manner that they each produce homogenous subgroups within themselves, and heterogeneous subgroups among each other. The better this works, the higher the probability that a segment will produce similar reactions to the company's marketing measures. Distinct segmentations are therefore prerequisites for nuanced market cultivation. Possible segmentation approaches can be broken down into categories that may also be used in combinative fashion for market allocation:

- The demographic approach considers demographic variables like for example age, gender, socio-economic status, family size, location, etc., which may be easily gathered.
- The psychographic approach focuses on general personality traits of current and potential customers as well as attributes specific to the test object.
- The behavioural approach encompasses criteria of information, purchase, and usage behaviour (behavioural segmentation variables) as well as brand loyalty.

The demographic and the psychographic segmentation approach are only able to depict correlations between characteristics and results. However, consumer groups with the same demographic properties may exhibit quite different consumer behaviours. Only if marketing theory shows causality and develops behavioural segmentation variables, marketing management is able to detect which characteristics, functions, and positioning will prompt consumers to buy a product.

The SCAN study of Produkt + Markt and UGW Communications pursues a hybrid approach to segmentation, and combines socio-demographic, psychographic, and behavioural properties. By considering characteristics like personal life situation, value orientation, personality characteristics, dietary habits or buying patterns, the SCAN study identifies eight different types of shoppers: the conscious and the relaxed shoppers, those who dislike shopping, the aficionados, the hunters, the limited, the routinist, and the structured shoppers.

Which measure for which type of shopper?

It has also been determined that the distribution of types of shoppers varies greatly within the considered shopping locations. For example, considering German supermarket chains, Marktkauf exhibits a larger portion of hunters and limited shoppers, while Kaufland and Real are more frequented by routinists. Kaiser's Tengelmann is mainly popular with structured shoppers and those who dislike shopping.

These observations underline the significance of a targeted selection of promotional tools geared to one's own clientele; mainly because a promotion that is supposed to target for example hunters and limited shoppers – hence groups who strongly identify with budgetary restrictions, either voluntarily or involuntarily – covers different-sized customer segments in the respective shopping locations. Therefore it cannot have a uniform positive impact.

Respondents were queried on 15 of the most common indoor and outdoor promotion tools with respect to awareness, personal relevance, and inspiration potential. On average, the respondents do know ten of them. The best known by far is the leaflet (91 percent). Only half of the respondents considered online campaign banners, newsletters as well as in-store TV as known, while client terminals are known by only one in three respondents. Even with regard to personal relevance of the promotional tools, the leaflet receives the best ratings by far. Pallet jackets, flyers, or small brochures as well as standees are also considered attractive. An average of 3 out of the 15 promotional tools were considered effectively inspiring, resulting in purchasing a certain product or a certain amount of goods. Again, the leaflet is in the lead, followed by displays and pallet jackets. At the considered

shopping locations, the least inspiration is ascribed to covers for in-store barriers, shopping trolley adverts, client terminals, in-store TV, and online campaign banners.

The overall view shows that leaflets, displays, pallet jackets as well as flyers or small brochures are the most promising promotional tools. Newsletters are (still) comparatively little known. Nevertheless, those who do know this promotional tool do find it attractive and consider it inspiring for their buying pattern. Shopping trolley adverts as well as covers for in-store barriers are very well-known. However, in relation to their fame, they are considered attractive or inspiring only to a minor degree.

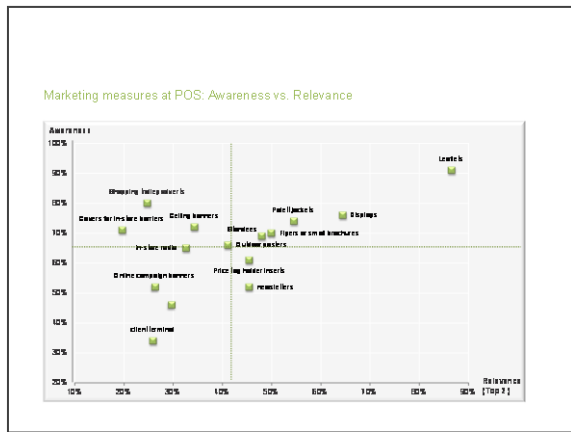
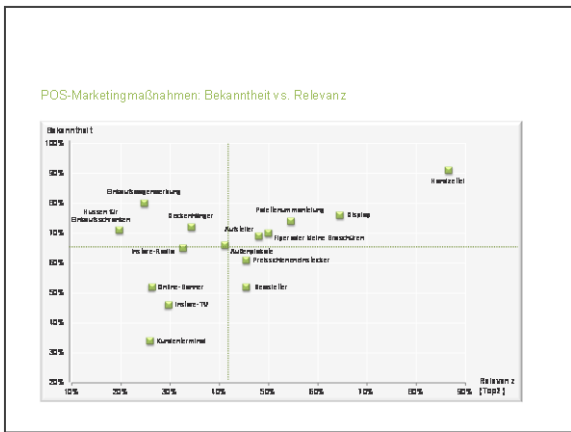
Those who want to be effective and efficient, should know the types of shoppers that are relevant to them. As soon as that is the case, marketing activities can be specifically tailored to the customers' needs.

Study Design

With SCAN, Produkt + Markt presents an approach towards optimising the targeting of shoppers at food retail markets in Germany. The approach was developed in collaboration with UWG Communications in Wiesbaden. Key processes are identifying nuanced and targetable types of shoppers as well as determining the most promising POS marketing measures for each respective type of shopper. The approach is based on a primary survey comprised of qualitative focus groups and more than 2,500 online interviews with people who are responsible for their grocery shopping.

The insights are supposed to provide answers on which different types of shoppers can be found in food retail, and how they are distributed with regard to the respective commercial enterprises. In addition, the attractiveness of in-store and outdoor marketing instruments is revealed for each type of shopper. Furthermore starting points are delivered to select promotional tools geared to the target group.

by Marco Gruhn



Logo SCAN Studie

Shoppermarketing Channel Analysis



Marco Gruhn is a Senior Research Consultant at Produkt + Markt Marketing Research. He is responsible for the department of Shopper Research and can look back on 10 years of professional experience in market research and marketing.