



consumer insight

Europe • Aug-Sep 2007

Shopper Modality: why it pays to strike while the moment is hot

If marketers are in the business of making a connection between their brands and their potential consumers, then they could be wasting promotional dollars if they fail to correctly read the 'body language' of the market.



That's the sharp truth that emerges from a recent Shopper Modality study conducted in the US by the Customized Research division of The Nielsen Company, and further powered by integration with Nielsen's Retail Measurement information.

In this case, the "body language" of the market is all about the shopping modes consumers adopt as they choose items to purchase. The fact is, shoppers don't waste huge amounts of energy on everyday decisions. To simplify their decision making, they sometimes shop in grab-and-go mode, reaching for the brands they usually buy without reading the label or even checking the price. They may be in auto-pilot mode – which isn't a very productive moment for your brand to attempt a new relationship. In these moments, shoppers are not in the market to try anything new – so you need to tailor your strategy to reach them.

The key to reaching shoppers lies in understanding that auto-pilot mode can get disrupted by external stimuli. When this happens, shoppers re-evaluate their decisions; they look at alternatives and consider new offers. Nielsen calls these disruptions Delta Moments and it is at these times that marketers have a brief window of opportunity.



nielsen
.....

A recent Shopping Modality study, conducted by The Nielsen Company across 30 Food Categories, reveals that auto-pilot and Delta Moment dynamics vary significantly across Categories. A seemingly great strategy in one Category can fail to connect in other Categories. Marketers could be way off the mark by failing to read the 'body language and mindset' of shoppers.

By revealing the way Shopping Modality differs between Categories, Nielsen can show marketers how to achieve much greater leverage from their point-of-purchase marketing through packaging, pricing, promotions, and merchandizing as well as through pre-store activation such as advertising and buzz generation.

The Nielsen study reveals that the 30 Food Categories group under four broad typologies of auto-pilot/Delta Moment characteristics.

Nielsen's four shopping mode segments

Auto-Pilot Categories:

Shoppers are in 'grab 'n' go' mode

Buzz-Activated Categories:

Shoppers are open to buzz and engaging advertising.

Variety-Activated Categories:

Shoppers seek new tastes and new formats.

Bargain-Activated Categories:

Price comparisons and promotions dominate choice rules in the absence of other news.

Auto-pilot mode

Certain Categories are all about auto-pilot shopping behavior; and they aren't necessarily Categories with low involvement in the normal marketing sense. Take Coffee for example. People are quite particular about their Coffee, yet the research showed that brand choice actually becomes highly habitual. By choosing the brand they usually buy consumers are reassured that they will get the same caffeine fix, the same flavour and the same Coffee experience that they rely on. Consumers pride themselves with making Coffee well, so why mess with it by experimenting with a different brand?

The implication for marketers in these auto-pilot Categories is that if you are a leader then avoid radical repositioning or pack changes: you may risk disrupting habitual behaviour which drives brand choice in your favour.

Buzz-activated mode

These rules don't apply in Buzz Activated Categories. New entrant beverages such as energy drinks and yogurt drinks are highly activated by buzz driven through excitement generated in-store and pre-store. Buzz isn't simply the domain of new Categories either, because Chocolate resonates with the dynamics of Buzz Activated strategies. Customers aren't in auto-pilot in these aisles, rather, they have their radar full on as they explore alternatives.

For these Categories, marketers must ensure that they are generating buzz through exciting advertising, new introductions and packaging that leaps out at the shelves; or risk falling off the radar.

Variety-activated mode

Auto-pilot is also often switched off when shoppers cruise Frozen Foods and Cold Cereal aisles. These are Variety Activated Categories. Consumers get bored with the same old one, or they are seeking internal affirmation as the household "chef" that they can deliver variety and surprise in their role. In this context new introductions and new "news" are key to warding off the threat of shoppers switching to competitor offers. Here, consumers are browsing actively, which makes packaging a key communication tool at point-of-purchase.

Bargain-activated mode

In the absence of other news, some Categories are driven by price comparison and promotions. These include Canned Tuna, Canned Tomatoes and even Pasta Sauce – a Category that was really hot in the 80s microwave boom.



AUTO-PILOT

Margarine, Mayonnaise, Bottled Water, Nuts, Coffee, Popcorn, Carbonated Soft Drinks, Hot Cereal, Cheese, Cold Cuts



BUZZ-ACTIVATED

Ready-To-Drink Tea, Smoothies/ Yogurt Drinks, Sports Drinks, Energy Drinks, Chocolate



VARIETY-ACTIVATED

Cookies, Salad Dressing, Chewing Gum, Salty Snacks, Breakfast Bars, Frozen Snacks, Cold Cereal, Frozen Desserts, Candy, Frozen Dinners/ Entrees



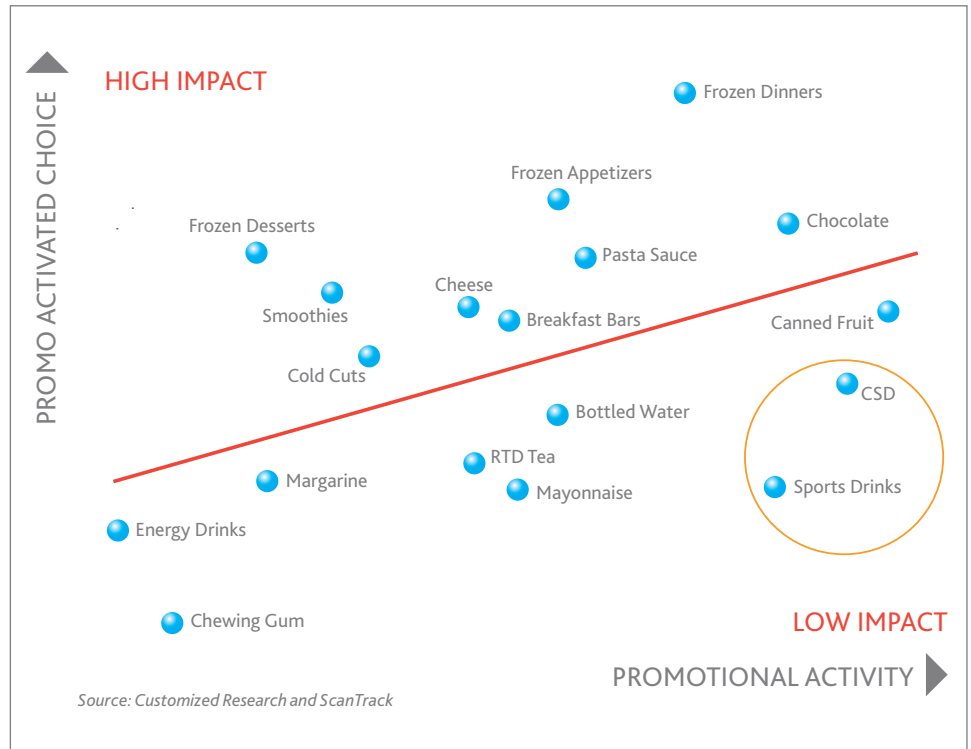
BARGAIN-ACTIVATED

Canned Tuna, Canned Tomatoes, Canned Fruit, Pasta Sauce

Are some Categories being over-promoted?

Even though some Categories are not bargain-activated, they are being heavily promoted. Overlaying promotional activity (drawn from Nielsen's Retail Measurement data) against promotion-activated choice decisions (from Nielsen's Customized Research) reveals that Categories like Carbonated Soft Drinks and Sports Drinks are being over-promoted.

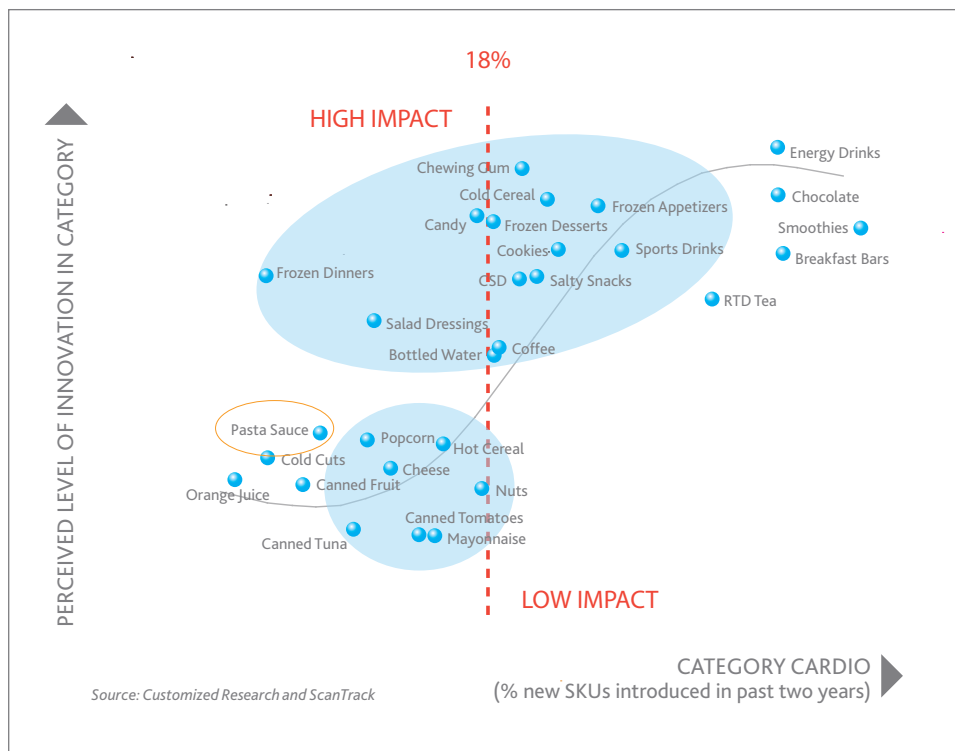
When consumers are choosing Sports Drinks brands, they aren't looking for a bargain and therefore promotions are going unnoticed. Marketers of Sports Drinks would be better off redirecting their wasted promo dollars to investing in advertising and new product introductions.



Are new introductions engaging shoppers?

Pasta Sauce, on the other hand, is highly activated by promotions. Despite being a high involvement Category, Pasta Sauce is losing sizzle in the absence of new introductions. Pasta Sauce could push itself out of bargain-hunting activated dynamics and engage consumers with more exciting innovation.

Further integration of Nielsen's Retail Measurement and Customized Research insights reveals an intriguing relationship between new introduction activity and shopper engagement. The Nielsen study found that new offerings do cut through the retail clutter and get noticed once the new introduction activity is above the threshold level. In buzz-activated and variety-seeking Categories, minor increases in new introduction activity delivers huge gains in grabbing shoppers' attention.



The old truth about striking while the iron is hot is directly applicable. The insights, which break new ground in shopper understanding, trace the 'body language' of the shoppers and show which hot buttons are at the tipping point. Leverage those Delta Moments and win at point-of-purchase.

About the survey

The recent Shopping Modality study, conducted across 30 Food Categories in the US reveals that auto-pilot and Delta Moment dynamics vary significantly across Categories. A seemingly great strategy in one Category can fail to connect in other Categories. Marketers could be way off the mark through a failure to read the 'body language and mindset' of shoppers.

By revealing the way Shopping Modality differs between Categories, Nielsen can show marketers how to achieve greater leverage from their point-of-purchase marketing through packaging, pricing, promotions, and merchandizing as well as through pre-store activation such as advertising and buzz generation.

The next wave of Cross Category Shopping Modality will be conducted in Quarter 3, 2007. If you would like your categories included contact:

Adam Murphy, Customized Research Services:
adam.murphy@nielsen.com

Jozy Acosta, Customized Research Services:
jozy.acosta@nielsen.com