



# Key Messages From This Year's ECR Europe Forum

## Our World is Changing

### Our Shoppers are more demanding

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With industry leaders taking to the platform to share perspectives at this year's ECR Forum in Barcelona, OxfordSM has captured some key soundbites and perspectives. Our own presentation and case study on **Shopper Marketing** is now available to download at [www.oxfordsm.com](http://www.oxfordsm.com) (details at the end of this newsletter)

SHOPPER

Attitudes and Behaviour are changing **FAST**, change that will be sustained even after the recession. Keeping track of **TARGET SHOPPERS** has never been more critical



**Philip Clarke**  
International Director Tesco plc

“ It’s smart to be a smart shopper again ”

“ Frugality is the new Frivolity ”

Two new key **shopper types** are emerging:

- **Optimists - FORGET THE CRISIS:** expert in **smart** shopping: great deals with lots of extras; buy better to buy more; value is more than just low prices
- **Pessimists - FEAR THE CRISIS:** expert in **hard** shopping: price focused; cut discretionary spend; buy less; look for trade offs



**Lars Olofsson**, Carrefour CEO

**P&G** *How to respond?*  
**Balance:** Focus on Value, Innovation & shopper recognised expertise



## OxfordSM perspective....



### Key Trends

- As shoppers develop “coping strategies”, a rich mine of new needs is emerging – use of different stores (eg discounters), channels (on line continues to grow); switching to bulk purchase (if affordable) or more frequent smaller quantities, delayed purchases; trade offs are made (eg spend more on your kids; less in other areas)
- There is no one rule – behaviour changes vary by category and shopper type. Treating all shoppers as a generic group is not smart..
- Blending long term macro trends (eg health and wellbeing, frugality replacing frivolity), with short term behaviour / attitude changes will be required to deliver sustained business wins

### Implications

- Accurate, real time understanding of shoppers to drive action in the business is a vital capability for Buying, Sales and Marketing
- Using this to drive shopper segmentation is increasingly important – for both suppliers and retailers
- Changing shopper dynamics are likely to impact overall Value Drivers for your categories - do these need re-assessing?
- New shopper understanding can inform a wide range of areas from innovation, category and portfolio strategy, communication and activities in-store. All need to reassure shoppers they have made a ‘smart’ decision. Is your business ready?
- Developing integrated business plans (Marketing & Sales) with the shopper (& store) central to thinking (rather than an eventual end point) are a must



To review the main presentations from this years ECR Europe Forum visit:  
<http://forum.ecrnet.org/PublicPages/Archive/Barcelona/Download.aspx>

# Understanding and responding to the RETAILERS' AGENDA continues to be a challenge and an opportunity



“Retailers are becoming sharper in **managing themselves as brands** - some of whom are more trusted than ever at national & global levels”



**Genuine collaboration** (retailers & suppliers) focused on the Shopper and driving real mutual growth is the next great challenge

“As an industry we spend too much time on negotiations and have few growth driving initiatives - Shoppers are not in focus”

## OxfordSM perspective ...



- Creating a Retailer brand demands a different model compared with FMCG. Retail brands need to work across numerous touchpoints, different shopper types and shopper missions. Yet this approach is not generally well understood by supplier partners
- Retailers are strengthening skills & evolving brand architecture to meet differing shopper needs by brand/store type. *Example:* Carrefour are moving stores under their umbrella brand and testing new formats such as Carrefour Contact

### Implications

- Shoppers increasingly trust the Retailer's own branded products - differences in perceived (& actual) quality are narrowing all the time. How is this evolving in your category and what steps are you taking to innovate, differentiate and market your brands in-store to reassure shoppers your brand is a 'smart choice'
- Truly understanding your target retailer brands and how to work with them is increasingly critical

## OxfordSM perspective ...



- Is this hype or a genuine call to action? Are retailers and suppliers genuinely up for true collaboration? Have suppliers and retailers got the skills and manpower to look across categories to define genuine growth opportunities?
- Whatever you think, there is significant new activity in this space and it will be increasingly important to develop capability in this area. *Examples:* OxfordSM & Unilever presented a joint activation programme currently in place with Albert Heijn. Tesco have hundreds of Jointly Agreed Growth Plans underway with their suppliers but aspire for thousands. Lars Olofsson of Carrefour claimed 'there will be casualties amongst suppliers' for those not at the table

### Implications

- To deliver, suppliers will need to be significantly more knowledgeable about Shoppers to build a common agenda for mutual growth. They will need to demonstrate strong understanding of how retailers build an experience brand. Both parties need to have the mindset and resource to embrace a 'joint growth agenda' vs. the negotiation approach

## 5 Killer Questions We Believe Companies Should Ask Themselves ...



Do we really understand **who our shoppers are** (sociodemographics, needs, behaviours etc) and how this varies by brand, category, channel, retailer, shopping mission)? **1**

Do we really know (and are we tracking) **how they actually behave, what they think** (pre store, in-store, at purchase) and are we creating shopper plans based on this insight? **2**

Have we truly grasped what Shopper Marketing is and the **implications** for us as a business, as a category or brand? **3**

Does my company truly understand **Retail Brands** and the strategic and tactical implications? **4**



Are we set up to deal **collaboratively** with our retail or supplier partners - do we understand how to do this on a corporate or category basis? **5**



In 2009 OxfordSM co-presented with Unilever on **Building Brands In A Tough Climate** - using shopper insight to drive joint growth with retailers.  
 In 2008 we conducted research into **Shopper Marketing Status & Expectations**  
 Visit [www.oxfordsm.com/research.php?shoppermarketing](http://www.oxfordsm.com/research.php?shoppermarketing) for summaries



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