Crossing the Aisle

New tech, social and a personal touch help brands connect with shoppers in store

By Patricia Odell

Selecting a bottle of wine from the hundreds of choices on shelves can be a dizzying experience for any consumer. And if they’re shopping in the $5 to $7 range, it becomes even more challenging to purchase a vintage that will actually taste good.

To remedy that, Beringer and its agency Twin Oaks have come up with a solution—taste stations. This spring, the stations were installed in 1,000 Kroger stores across 20 states. A shopper decides on one of three varietals they think they might like, pulls a single-serve flavor strip from the station placed in front of the bottles and tastes the wine. It’s a sampling breakthrough in the complex and often overwhelming wine shopping experience that instills confidence in the shopper’s wine selection.

“The launch of the taste stations is the result of a year-long campaign and delivers against such key research findings as 94% of women running households say sampling gives them a better idea of a product than advertising and 83% of shoppers say that an item they’ve sampled has become a repeat purchase,” says Steve DeVore, managing director at Twin Oaks, which led concept development and design. “This could be a game changer.”

Marketers have talked a lot about consumers’ desire to shop anywhere they want, when they want and on their own terms. These discussions, brainstorming sessions and conversations have manifested themselves into action in the form of new and different technology solutions marketers are working to build into their plans, like the Beringer taste strips. The shopper marketing standard—crunching consumer data to gain insights that lead to campaigns, communications and other marketing messages—is entering the modern era to advance shopper marketing efforts that impact consumers in real time, often using state-of-the-art technologies.

North Face has customers donning headsets for a virtual-reality view of a rock-climbing experience or base-jumping. Marriott offers the same for viewers to transport themselves to hotels in London or Hawaii for a tour. VR technology is growing as a method for retailers, and others, to drive sales and to offer an exciting or educational experience.

In another innovation that could change the way shoppers’ purchase regularly used household items, Amazon’s new Dash Button allows Amazon Prime members to easily and quickly reorder products with the touch of a button. The button is programmed to order, say Tide laundry detergent or Maxwell House coffee. It can be attached to the washing machine with reusable adhesive or hung near the coffee brewer. When the bottle of Tide or coffee runs low, a push of the button places an order, which arrives within days. The same goes for toilet paper, coffee and bottles of water or other favorite household items.

“BRANDS ARE FOCUSED ON HOW TO MEET THE CONSTANT CRAVINGS OF THE SHOPPER. THEY CAN’T JUST PUT OUT THE BENEFITS AND ATTRIBUTES OF THE PRODUCTS ANYMORE. IT HAS TO BE AUTHENTIC AND THE CHALLENGE IS HOW TO DO THAT.”

— LAURA MOSER, MOMENTUM

Continued on page 2
Some of the brands participating include Maxwell House, Glad, Izzie, Tide, Cottonelle, Bounty and Smart Water.

For marketers, the buttons are the epitome of real-time, data-driven marketing and offer myriad benefits including building loyalty, a plethora of customer insights and data, as well as an intimate, personalized experience for the customer. But not everyone thinks shopper marketing is going the way of the Dash Button.

“The Dash Button makes sense for, say, routine low engagement items like doggy potty pads—when you have to reorder, the button remembers the brand, pack count and size,” says Laura Moser, senior vice president, shopper marketing practice lead, North America, Momentum. “At the same time, the buttons are dangerous. You’re really hooked into a brand and that takes the fun out of shopping anywhere, anytime and on your own terms, which is the primary desire of shoppers today.”

Time will tell whether consumers latch on to the Dash Button, but Amazon is banking on consumers need for convenience.

“What Amazon is saying is that they believe that convenience is so critical to shoppers that they’re willing to dismiss all other product possibilities to have a Tide button on their washer,” Moser says. “I don’t agree that that is the case, maybe with a few small categories. I don’t think it will have mass acceptance. Amazon is putting a stake in the ground to try and trump experience and variety.”

Another major retailer using technology to enhance the real-time shopper marketing experience is Neiman Marcus. Earlier this year, some stores began testing a cutting-edge technology from Intel called “MemoryMirror” in smart dressing rooms.

The platform captures and augments the experience of trying on and buying fashion apparel. The MemoryMirror is a full-body mirror that, by using simple body gestures or the mobile app, shoppers

Will the Dash Button change the way people shop?

...Continued on page 4
FROM SCREENS TO STORES
GETTING MILLENNIALS INTO BRICKS-AND-MORTAR

Conventional wisdom indicates that Millennials vastly prefer the convenience of online shopping to physically visiting a store. To shift that behavior, retailers need to reconsider the kinds of offers they have in store.

Coupons don’t have much sway with 18 to 29 year olds. A remarkable 84% of Millennials said they would be more motivated to shop a grocery store that allowed them to redeem reward points for a session with a chef than one that limited redemptions to product discounts.

The finding, gleaned from a survey of 1,034 consumers across the U.S., is among several that reveal the market group’s proclivity for personal experiences:

• 79% said a session with a personal stylist would entice them to shop more at a clothing store
• 77% said a consultation with a software expert would spur them to shop more with a specific electronics dealer
• 68% said a makeup artist session would prompt them to shop more with a cosmetics retailer.

The retailers that resonate most with Millennials—and other age groups for that matter—are those that recognize why shoppers come to them in the first place and then parlay that insight into brand experiences that strengthen the customer connection. Ikea, Sephora and Apple are masters of this skill.

Fold into this strategy a loyalty program, and the merchant has a tool to further enrich the customer experience by offering members exclusive opportunities, from personal consultations to VIP access to a show. Executed well, through appropriate data analysis, loyalty programs can enable a merchant to design meaningful memories that at the same time add value.

This is an important equation for the 77 million strong Millennial market, many of who entered the workforce during the recession of 2007 to 2010. The economy is rebounding, but slowly, and this age group is shaping up to be more financially conservative than marketers may have predicted back in 2005.

Value is important to this group, but we should not limit value to dollars saved. One has to look no further than social media to see that. Social media enhances the desire among Millennials to pursue experiential rewards, simply so they can post them, so incorporating social outlets into a loyalty platform is essential.

For the retailer, getting people enrolled in a loyalty program provides crucial customer data such as purchase history and behavior that can help to shape sales strategies. Millennials, more than any other demographic, understand the need to “give to get,” and tend to be willing to share personal information if they perceive value in exchange for their data.

Experiential rewards can be used as incentives for signing up, and can be part of a tier strategy to help motivate members to achieve specific activity levels.

Brands are already incorporating experiential rewards into their program offerings. For example:

• Starwood Hotels & Resorts allows members to earn points toward advanced tickets and upgraded seating for Broadway shows. In addition, members can bid on once-in-a-lifetime experiences such as sitting with the stage manager, meeting the cast backstage and attending private after-parties for productions such as Annie, Wicked and Billy Elliot. Though not a retailer, Starwood’s partnership strategy can be applied to any industry.

• Beauty products retailer Sephora offers multiple tiers within its rewards program, with more valuable experiences as customers spend additional dollars. Ranging from a “Beauty Insider” to “Very Important Beauty Insider,” perks include beauty classes, members-only shopping events and unlimited access to the Beauty Studio, Sephora’s in-store salon.

• Last fall, grocery chain Giant Eagle launched a campaign to hire chefs for its new Market District concept locations. The approach sought to strike a balance between meeting typical shopping needs and learning about food. Chefs are expressly instructed not to “push product,” but to use their time in the demo kitchens solely to educate.

• Global Hotel Alliance’s GHA Discovery program offers authentic local experiences such as spending the day with a local fisherman off the coast of Portugal, then having the catch prepared for dinner that evening. GHA partnered with top local shopping venues such as Harrods in London, Illum in Copenhagen and KaDeWe in Berlin for special access. Opportunities also included tickets for unique access to must-see events and shows in London, New York and other destinations.

Millennials are expected to account for 30% of all retail sales by the end of the decade. Successful marketing to this important group depends on how well retailers recognize and then respond to their unique needs. In that light, the personal connection means the most to these consumers: curating that one-on-one interaction that becomes a memorable event of personal value. —Bryan Pearson, president, LoyaltyOne
control to see 360-degree back and side views in new outfits. The platform remembers what the shopper tried on and can show the shopper what the same dress would look like in multiple colors without even leaving the dressing room.

With the swipe of a hand, shoppers using the Smart Mirror can change the color or size of a dress.

“There’s nothing worse than standing in the dressing room with the wrong size or wrong color and having to get redressed and find the right size,” Moser says. “Now shoppers have the ability to go in and try on a little black dress and instantly see how its looks in blue, red or green,” Moser says. “At the same time, socially they can send the pictures out to friends and family networks to crowd source what looks best without ever leaving the dressing room.”

Mobile apps have also come to the forefront in delivering more personalized in-store shopping experiences.

Walmart has had to look deep into its shopper marketing philosophy to ensure its customers can count on and reinforce what the brand already stands for to most Americans—everyday low prices. It went the next step with its Savings Catcher grocery savings app. The app is designed to take the guesswork out of whether the Sony TV the customer is buying could actually be purchased at Best Buy for a lower price. The customer uses the app to take a picture of the barcode on the product or types in the receipt number. If Savings Catcher finds a lower advertised price, the customer gets the savings on a Walmart e-card.

“This is important because when you think about someone like Walmart—with wide brand awareness and equity with low prices—they still felt it was necessary to develop this app,” Moser says. “It shows how customers are digging in and if you can close them quicker and remove all doubt, that’s what Walmart is looking to do.”

It’s Personal

Introduced in 2013, Apple’s iBeacon technology is being used by brands to locate consumers and serve up coupons and other offers when they are in close proximity to a store or restaurant. More and more marketers are using the technology to drive in-store traffic.

In some Georgia locations, McDonald’s used beacons to push deals to customers, bumping sales outpace the other groups across the board in stock-up, fill-in, last minute and occasion-based trips. The answer could be that Hispanic shoppers reported that they like to grocery shop (74%), versus 58% of total U.S. shoppers, and they most often shop with a spouse, children or friends. They like to experiment with new products and are likely to take advantage of in-store promotions.

Hispanic shoppers also avail themselves of more in-store services and features like cafeterias and blood pressure testing. This group buys more organic produce and will eat healthy foods even though these items are more expensive. About 73% use technology for grocery shopping (60% of U.S. shoppers). Email, social, text messaging, apps, mobile websites and group buying sites are favorites. Some 50% of this Hispanic shopping group purchase grocery items online at least once per year.

The Powerhouse Grocery Shopper: Hispanics

Hispanic shoppers truly enjoy grocery shopping, and most often do so with a spouse, partner, child or friend. They like to eat healthy and enjoy meals at home with family. Digital tools play a large role in planning and shopping and they like to try new foods, according to “The Why? Behind the Buy” report from Acosta.

The study also found that 38% of Hispanic shoppers expect a positive change in their total household income in the coming year. Hispanic Millennials take the most trips to the store each month at 4.9, compared to 4.5 for total Hispanic shoppers and 4 for total U.S. shoppers. Hispanic Millennials

HISPANIC SHOPPERS SPENDING SIGNIFICANTLY MORE THAN TOTAL U.S. ON MONTHLY GROCERIES

<table>
<thead>
<tr>
<th>Category</th>
<th>U.S. Dollars</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total U.S. Shoppers</td>
<td>$331.00</td>
</tr>
<tr>
<td>Total Hispanic Shoppers</td>
<td>$360.90</td>
</tr>
<tr>
<td>Younger Hispanic Millennial Shoppers</td>
<td>$256.90</td>
</tr>
<tr>
<td>Older Hispanic Millennial Shoppers</td>
<td>$390.90</td>
</tr>
</tbody>
</table>

In an average month, about how much does your household spend on groceries?
of the McChicken Sandwich up 8% and Chicken McNuggets up 7.5%, Forbes reported in December. Also last year, Lord & Taylor used location technology and gamification to push coupons out to people close to its stores. People who were actually prompted to stop in the store received a digital scratch-off coupon for up to 25% off a purchase. In stores, it used iBeacon technology to alert smartphone users of offers on brands in specific departments like Michael Kors.

The targeting can be so specific as to deliver a specific hair-care product to combat the frizzies on a day when the weather will be humid or rainy. A big-box home improvement retailer can deliver messages about snow blowers and generators as a winter storm approaches. This real-time marketing and consumer information gathering can provide personalized, one-to-one marketing that drives home a message based on the weather.

“Brands are focused on how to meet the constant cravings of the shopper,” Moser says. “They can’t just put out the benefits and attributes of the products anymore. It has to be authentic and the challenge is how to do that.”

Apps are also being developed to help retail sales associates improve the customer experience in real time.

A suite of apps developed for retailers from IBM and Apple, called the Store Associate Suite, are designed to transform the in-store retail experience for the customer.

The Sales Assist App puts an enterprise level of customer intelligence into retail associates’ hands. The idea behind the app is to give associates the resources they need to provide a much more personal—and personalized—experience for the consumer, such as telling a shopper whether specific items are in stock or to suggest other items that might be of interest to an individual customer.

The app uses real-time intelligence, displayed on a tablet, to direct associates to customers and allow them to provide product, inventory availability and location information, as well as personalized offers based on historical patterns and profile data. The app is designed to increase basket size and revenue per transaction through improved information to support cross-sell and upsell opportunities.

“We as consumers have such high expectations,” Yolanda Wang, associate partner with IBM Global Business Services, said earlier this year when the app was released. “With our apps we’re trying to help the associate in creating that personal relationship that is at the heart of retailing.”

For example, let’s say Rebecca enters a retail outlet in search of a black dress for a cocktail party that coming weekend. By monitoring the app on a tablet and leveraging in-store location analytics, a sales associate identifies Rebecca and notices that she is “dwelling” in the dress shop. The associate can then go check with her and offer to help her with her shopping.

Customers shopping at the store can also “check in” and request help from an associate, who picks up the message on the app.

Patricia Odell
Senior Editor, Chief Marketer
podell@accessintel.com
@CM_PattyOdell