

Brand groupies and the death of friction



By Louise Marsland

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The theme of the 60th Global Summit of the Consumer Goods Forum, taking place in Cape Town this month, 15-17 June 2016, is 'Seizing opportunities in the face of disruption'. Top global retailers and brand CEOs from Walmart, Tesco, Coca-Cola, Nestle, among others, will discuss disruption in all areas of the retail value chain and innovative new business models.



Burger King promotion

As Peter Freedman, the managing director at the Consumer Goods Forum, commented: “All industries experience waves of disruption, but the consumer goods industry is arguably going through more disruption right now than we have seen in a lifetime. Digital is perhaps the biggest disruption, because it affects how we produce, buy, sell and communicate.

“At the same time we are seeing disruption from new entrants – not just digital natives, but also many others, ranging from the local ‘craft’ industry, to a new breed of emerging market-based multinationals. The Global Summit is the forum for our members to discuss how they can capitalise on the opportunities that lie beneath all disruptions.”

Here are some of the top shopper marketing and consumer trends that Bizcommunity identified, to date, that are leading some of this disruption:

The third space/place

Shopping is only fractionally about transactions these days, and as much about “experiences, unique environments and customer service... the hard sell is becoming less important than providing something more fun, helpful, satisfying or distinctive”, says JWTIntelligence in its [Retail Rebooted](#) report, revealing that Nordstrom opened a cocktail lounge inside its women’s fashion section in Seattle, US. It is all about creating stores that are “attractions” themselves; or about creating events to attract shoppers to the store, like Burger King’s [monster truck stunt](#) to promote its biggest beef burger - and which saw a couple of cars crushed outside the store at the East Rand Galleria Mall in Boksburg, South Africa, last month.

Everything is retail

Because anything can be done via technology today, JWT says shopping is no longer a designated store-bound activity: “Since almost anything can be a retail channel, thanks largely to mobile technology, brands must get increasingly creative in where and how they sell their goods.”

Brand groupies

Shoppers are looking for “bespoke” product solutions that have been adapted and developed for their tribe. This has implications for brand extensions and micro-segmentation of shoppers to deliver “individualism at scale”. (Source: [Mars](#)).

Tap-and-go

Contactless “tap-and-go purchases” grew by 600% in 2015, driving billions of transactions enabled by technology, meaning the experience of that online or mobile purchase has become very much a part of the shopping experience for millions of consumers around the world. So while the tech needs to work, retailers and brands also have the opportunity to reach consumers via instant messaging, incentives and rewards, according to the [Mars agency](#).

‘A Day Made of Glass’

Holographic, virtual reality, touch screen glass is already here. How it is adapted for retail environments and plugged into people’s homes, is the subject of this incredible short video by Corning as to its vision of the future with glass in our homes, car, work, retail environment, interacting with our personal devices like our mobile phones, tablets, and watches.

The Glass video was expanded further to include more detail and a narrator unpacking this futuristic technology, some of which is here already.

Pivot to digital tactics

Shopper marketing agency [Foresight ROI](#) has noted that digital coupons, banner ads and blogs are driving the highest return on investment (ROI) along the 'Path to Purchase'. Phil Lardner, president of Foresight ROI, explains: "While digital circulars, email messages, influencer, and video web ads are typically on the lower end of ROI's; social, microsites and video ads are tending toward the bottom.

"But, the spread of these ROI's is up and down and not consistent, the clear implication is that high ROI's are totally dependent on shopper relevance and insight. Retailer digital media tends to underperform for brands as collaboration principles are not practiced with regularity – they are too one-sided."

[eMarketer](#) says retailers in North America, for example, intend adding several features to their basket to target the consumer, including mobile coupons, smartphone apps, personalisation and a mobile wallet.

Brand experiences as apps

Experiential events around the brand are created because retailers know that consumers buy more than a product when they shop. They buy the brand – and mobile technology and services now offer retailers the opportunity for a more intimate engagement with their shoppers to add value to their lives, while reinforcing the brand's core values. For example, as [POPAI Benelux](#) reports, "The Oakley Surf Report app provides weather conditions and tide information. It provides a valuable resource to the audience that may (eventually) purchase sunglasses, sandals and other surf-related products. North Face and REI have snow report apps; and Charmin has the 'Sit or Squat' app to locate clean bathrooms (even if they don't use Charmin toilet paper)."

Super specialists

Shoppers are actively seeking out retail solutions that give them the best possible solution. Mars agency says brands need to find out how they can support retailers, both the superstore which are creating expert "sub-sets" and the niche specialist retailers, which provide a superior solution and not only a price-differential.

Shopper activism

With apps like the Sugar Smart app released by the National Health Service (NHS) in the UK, empowering shoppers to check ingredients, product source, sugar content, fat content, etc, consumers are better able to monitor what they are consuming. "We are also seeing the traditional centre of the store, dominated by major FMCG companies, shrinking, with many shoppers turning to perceived natural alternatives and fresh produce around the perimeter of the store," reports [Visualise Shopper Marketing Specialists](#).

Death of friction

Consumers want access to services instantly and there are apps that now provide that instant gratification, so customers can preorder, for example at Starbucks or with Uber, and not have to wait in a queue. Explains [Strategy Online](#): “This trend is ultimately leading to manufacturers and retailers alike investing in ways to deliver so-called “shoppable moments” that will seamlessly bridge the gap between awareness and purchase intent, through content.”

OmniConnected

Mars says the global wave bringing the Internet of Things is unstoppable. “In 2016 there will be a movement towards future-proofing, as new appliances, systems and gadgets are scheduled for replacement. The resulting buying behaviour will initially see tech-pairing between important systems such as internet connectivity and domestic utilities and security, later followed by the duelling of mobiles and life-engaging platforms delivering convenience, efficiency and entertainment.”

While 90% of department retail sales still occur in-store, 70% of sales are influenced by digital, according to eMarketer.com.

WLTM

Shoppers ‘Would Like To Meet’ brands that share their values and “see the world as they do”, according to Mars. “In 2016, shoppers will be seeking brands and retail experiences that explicitly empathise and match up to the complexities of their own lives.”

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