

# CREATING A DIALOG WITH THE SHOPPER

Go beyond segmentation and reach the customer at the exact buying moment

By Matt Baker, AMD

**There is a strange irony about traditional marketing practice that is becoming more evident as consumers become more autonomous. While products are designed to meet consumer needs, marketing is usually designed to meet the company's needs for volume and profitability. It's this inside-out instead of outside-in view that gives rise to marketing communications techniques like consumer or shopper segmentation. Shopper segmentation is a marketing convenience, useful to an extent, but unable to fully grasp how multifaceted consumers really are.**

The assumption is that if you know enough about the consumer, you can transform his or her behavior in ways useful to you in meeting marketing objectives. The problem is, this buyer assessment can be no more than a snapshot in time that is basically already outdated by the time it is acted on. Another more basic problem is that consumers don't care about marketing objectives and yet they should be placed at the epicenter of everything brand marketers do.

While marketing's basic premise of connecting buyers with sellers is still valid, the environment in which this goal is pursued and the means for achieving it have changed fundamentally in the modern marketplace. To remain productive, marketing must rethink its basic purpose and how this should be accomplished. To earn a share of the customer's very limited attention span, marketers must provide consumers with advertising content that fits the consumer's agenda rather than their own. They must truly become "consumer centric."

As consumers, how we respond to brand messages is

about how we are wired personally and to whom we are wired socially. These facts are changing organically all the time. Our mother of three from Paducah may be a "traditionalist" by day but a "freak" by night. How she responds to our brand is a matter of her constantly shifting context that is influenced by her own psychology and by her connections, maybe even globally, to an infinite community of influencers. Segmentation is an abstraction, a statistical aggregation, helpful to marketers contending with the

demassified mass media but lacking in real precision.

The good news is that segmentation may be becoming largely irrelevant now that we can engage consumers one on one in real time. Today, thanks to the Internet and other modern communications technologies, we are able to meet our customers on their own terms, whatever those terms may be at the precise moment they touch our brand. By joining them in real dialog instead of targeting them with prefabricated messages, we can capture more of the nuances driving buying behavior at the only moment relevant to our shopper — that moment.

I posed this question to four marketing at-retail experts: *What specifically are you seeing that works? Not your wish list, but working today, to establish this "dialog" with the consumer.*

**ROBYN WATERS,  
PRESIDENT, RW TREND, LLC**

There are two myths that I would like to obliterate. The first is that customers buy products designed to meet their needs. The second is that "the next big thing" is the holy

## MARKETER roundup

grail of retailing.

Products designed to meet consumer needs no longer rule. Today, as good design enhances life, it merges with desire and touches the soul. In the “claustrophobia of abundance” retail landscape, products that appeal to the heart are the most sought after.

The same is true for marketing messages. It’s not the latest technology, or the newest form of media, or the most clever POP that will resonate with the today’s customer. A message that appeals to the heart as well as the head will garner the most attention and stimulate the desired result.

Trying to create, market, and deliver “the next big thing” is treacherous these days. The trend landscape is filled with contradictions. For every trend, there is a countertrend. In addition, today’s customer exhibits contradictory behavior. A woman wearing Prada and driving a Mercedes isn’t the least bit out of place at Costco, stocking up on her bulk paper goods.

*It’s not about what’s next. It’s about what’s important.* It’s also not about the consumer’s age, income level, zip code, or education level. It’s all about the heart.

#### **NEIL PERRY, ACTING CEO OF XLNTADS**

Consumers today have become masters at tuning out traditional brand messages. However, open dialog about brands is happening every day on the Internet — in blogs, social networks, online reviews, discussion board, etc. As much as brands would love to jump in and join those conversations, many have a hard time doing so objectively, without pushing their brand messages in front of the consumers. Brands can take advantage of these online conversations by hosting online environments where consumers are able to talk freely about their likes and dislikes. The benefit to the brand is the learning experience and the opportunity to accentuate their strengths, fix their weaknesses, and ensure they remain top of mind.

Also, since 78 percent of today’s

## WHO'S WHO



**Matt Baker** (bakerm@amdpop.com) is Director, Business Development, at AMD Industries in Chicago.

**Peter Guenther**, VP National Sales Director, Digital Aisle, has worked in the advertising and marketing field for the past 25 years, selling advertising and integrated marketing programs to major U.S. based CPGs. Two years ago Guenther founded Digital Aisle with three other partners to focus primarily on developing shopper-based eConsultant solutions for global manufactures challenged by their retail customers to deliver innovative sales strategies in-store.

**John Greening** is Sector Head, Advertising; Associate Professor, Medill Graduate School of Integrated Marketing Communications at Northwestern University in Chicago.



**Neil Perry** is a well-recognized Philadelphia-based marketing consultant, providing brand insights and thought leadership to a number of organizations, including iMedia Communications, Advertising.com, Frankel (a Publicis agency), Motorola, GlaxoSmithKline, and AT&T Wireless. As acting CEO of XLNTads, Neil provides strategic direction for the company through active participation with both the brand and creator communities on the site.



**Greg Smith** is Chief Operating Officer for Neo@Ogilvy. Neo@Ogilvy is a full-service digital and direct media company that is part of the Ogilvy Group. The agency manages digital media investment for top global clients covering digital advertising and direct marketing, digital and direct TV, direct response print and email, email marketing, search marketing, and new forms of digital media such as blogs and vlogs. Greg joined Neo@Ogilvy in 2005 from Carat. At Carat, Greg helped start its interactive division, growing media, search, data, and other strategic services into a digital media operation in six markets.



**Robyn Waters** is a national speaker, author, and hired gun visionary for corporate America. Waters is founder and president of RW Trend, a trend consulting company based in Minneapolis, MN (www.rwtrend.com). She is the author of *The Trendmaster's Guide: Get A Jump on What Your Customer Wants Next*, a simple and witty guide to tracking and translating trends into sales and profit. Her latest book, *The Hummer and the Mini: Navigating the Contradiction of the New Trend Landscape*, explores the contradictory nature of today’s consumer and examines ways to make sense of the trend/countertrend landscape. Most recently, Robyn was Vice President of Trend, Design, and Product Development for Target.

# MOTIVE-DRIVEN SHOPPING

The holy grail in marketing has become: “join in a dialog with the shopper instead of targeting them with prefabricated messages, so we can capture more of the nuances driving buying behavior.” Is the traditional marketing philosophy of “segmentation” now less relevant, as we strive to engage consumers one on one in real time — or some marketing approximation to real time. We posed that question to industry veteran John Greening, who worked on the now-legendary Budweiser campaigns in the ‘90s, and is now Sector Head, Advertising; Associate Professor, Medill Graduate School of Integrated Marketing Communications at Northwestern University. His response:

*Traditional marketers were interested in what the shopper did, what they bought. But people are not in the buying business, they are in the shopping business. Now, we must focus on the motives that drive shopping. A shift from demographics to psychographics. So, while segmentation is still valid, it now should be segmentation by motives.*

*So much energy in the past was spent on organizing supply. This led to the mega-retailer model, where supply inefficiencies were wrung out of the system. And it also created early on the model where, in retail, the store buyer who sourced product was the same person responsible for selling the product to the shopper. We organized the supply side — but perhaps too well. We have now moved from the need to organize supply to the need to organize demand. The need to create communities — the shopper needs and wants to belong to communities. The next step: those in a community wanting to see what other people in that community are buying. If you know what others are buying, you might want the same thing. In stores you are entertained by what others are buying and want to buy the same things. We get an idea of what to buy from others. We then feel we are part of a savvy group. Trader Joe’s does not try to compete on price. When people share the same interest, that is the essence of branding.*

## PETER GUENTHER VP NATIONAL SALES DIRECTOR DIGITAL AISLE

What we’re seeing that works today — specifically in store at the critical point of purchase — is the combination of technology coupled with the right content to grab a shopper’s attention, hold them for a minute or two, and promptly move them as close as possible to putting not one manufacturer’s product in their basket, but multiple products from the same manufacturer. It’s about building real shopper-based intelligence into the content so the consumer can decide for themselves what information they’d like communicated back to them from the product or brand, a dialog that happens right at the manufacturers’ shelf or display. This might be basic product or brand education, step-by-step instructions, how-to demonstrations, and/or targeted solutions or brief survey to determine what’s right for them.

Keep in mind that the manufacturer wants to drive sales while the retailer is looking for total category growth. The right consumer engagement application can and will do both.

As we have moved from a production-driven to a consumption-driven economy, the whole nature of marketing is changing. This change has been amplified by the forces of digitalization and the Internet in particular. No longer isolated but now socially connected and armed with information from the Internet, today’s empowered consumers are freely expressing their preference for intimate and honest dialog over prepackaged and manipulative advertising messages. Eventually the only advertising messages people will see will be the ones they want to see. And yet, what’s old is what’s new. Like in the original markets that existed for thousands of years before the industrial revolution, buyers and sellers can now meet again one on one and in real time for conversation and to co-create market value for products and services.

consumers place the most confidence in recommendations from other consumers, according to a recent Nielsen report, these open dialogs allows brands to tap into word-of-mouth marketing and advertise through the consumers’ voice. Dove is an excellent example of a brand that is doing this the right way. On the Dove Web site, visitors will find sections where they can share their views on Dove products, hair care tips, self-esteem building stories, and more. Dove also utilizes consumer-generated advertising to incorporate the consumers’ voice into its ad campaign.

### GREG SMITH, COO, NEOROGILVY

Marketers have unprecedented data. As more media become digital, more data is exhaled. Every day we get closer to the following two predictions coming true:

- In the future, you’ll know the

names of all your customers.

- In the future, the only messages people will see are the ones they want to see.

But this will also mean unprecedented changes in how we message:

1. Consumers are very good at avoiding ads, so marketers will need to look beyond advertising to new forms of messaging and provide utility, entertainment, information, community, connection, and advocacy.

2. Logistics will change. Marketers claim 24/7 capability, but we go to bed after primetime. Consumer commerce and activity is happening at a tremendous pace and yet marketers are using 20th century approaches and timetables.

3. Brands will still matter. In fact, with market fragmentation and increased choice, brands are more important to consumers than ever.

Building and supporting them will simply be more complex.