

In Search of Shopper Marketing Excellence

The need for consumer goods companies to build stronger shopper marketing practices has been growing steadily for more than a decade — but recent marketplace disruptions have made it a true business imperative. In fact, 84% of respondents to a survey conducted in December by CGT and Cierant Corp. say that shopper marketing agility and cost effectiveness is more important today than it was even two years ago.

Despite this realization, and the additional understanding that an optimized shopper marketing practice delivers numerous benefits, 78% of survey respondents rank their current shopper marketing process efficiency as no better than average. What's worse, there seems to be no clear understanding of how to address this challenge.

Respondents are using a variety of strategies to enhance efficiency: increasing access to relevant data, integrating best practices into the field, and improving post-event analysis capabilities are the most common initiatives. And they're employing a number of technologies to assist these efforts — chief among them data management/analytics software and digital asset/content management tools (see Charts 3 and 6 at right).

However, department-level strategies and digital tools aren't enough to achieve full SMO. Doing so requires a change in organizational methodologies internally and improved retailer collaboration externally (see Chart 4). Essential to both of these issues is budgeting, which is why respondents cite the need to address both program execution costs and funding methodology as critical factors for success.

Cierant notes that retail account funding traditionally has systematically rewarded top-tier accounts with grandfathered budgets and "anniversaried" programs. But shopper marketers today understand that those funding models are not revenue-oriented. This is evident in the survey results, which find that 60% of companies have restructured budgets to support more performance-based funding models and another 23% have discussed doing so (visit consumergoods.com for these and other results from the survey).

The next step in this evolution is zero-based budgeting: 19% of respondents either have or plan to implement the practice in the near future as the industry moves toward best practices that truly deliver the best results. CGT

CHART 1
Improving Shopper Marketing agility and cost-effectiveness is more important today than 2 years ago

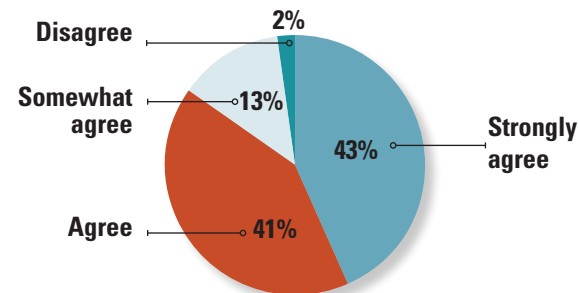
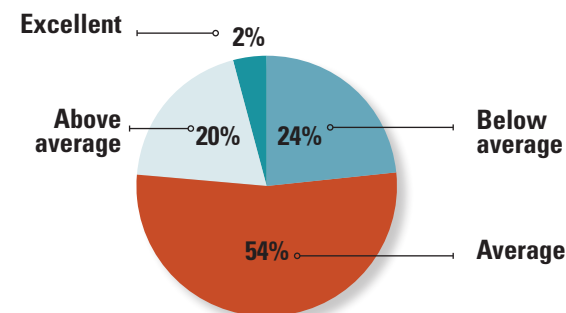
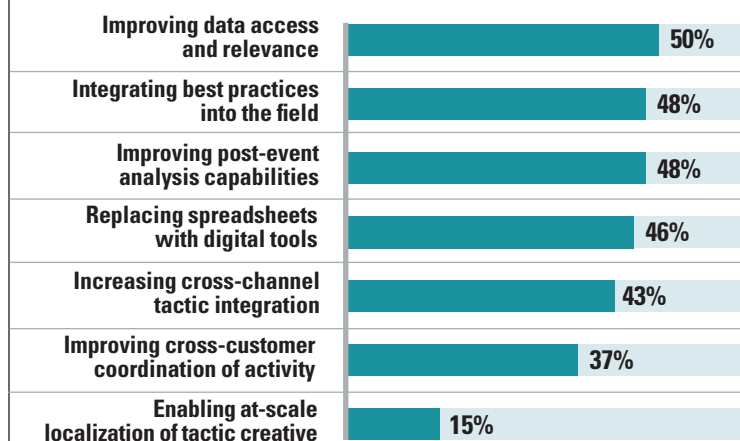


CHART 2
Current efficiency level of your SM planning and execution processes



78% of companies rank their SM process efficiency as average or worse

CHART 3
Key initiatives for improving SM execution



84% of respondents say improving agility and cost is more critical than ever

CHART 4
Critical SM elements to be addressed (beyond technology)

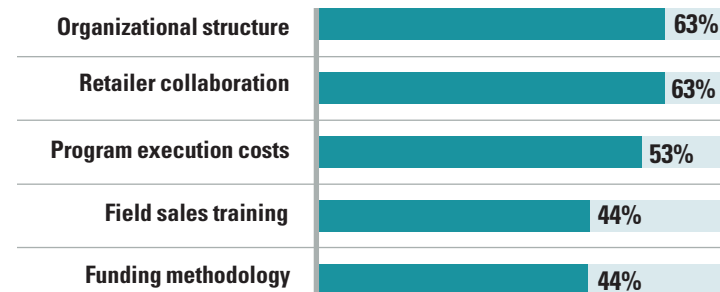
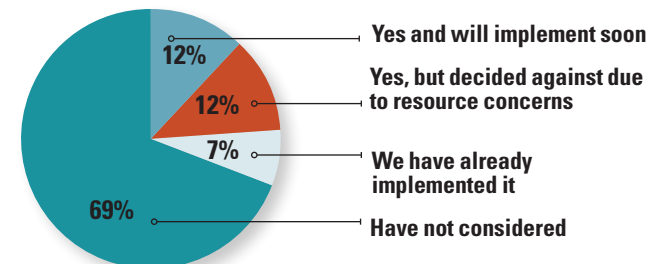
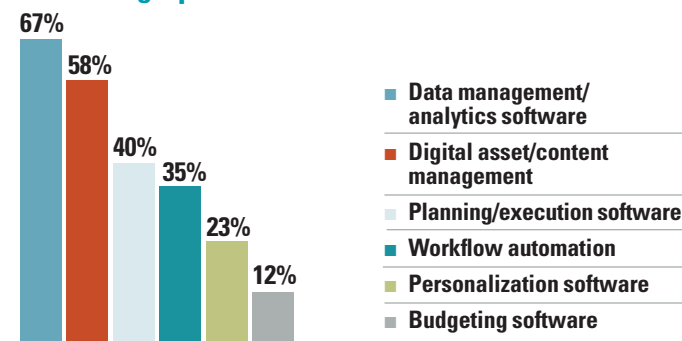


CHART 5
Have you considered zero-based budgeting as part of your SMO strategy?



19% of companies have or plan to implement zero-based budgeting

CHART 6
Most essential technologies for Shopper Marketing Optimization



Analytics, Collaboration Key to SMO ROI

James Cioban
Chairman & Chief Technology Officer
Cierant Corp.

Major advancements have been made in marketing automation and analytics, yet the processes that drive shopper marketing have failed to take advantage of these innovations, resulting in unnecessary cost and labor and, in turn, insufficient ROI.

This has made shopper marketing efficiency an operational imperative for many consumer goods organizations and has led to the emergence of an all new practice: Shopper Marketing Optimization (SMO).

SMO is designed to improve cost, speed and efficiency in every phase of the shopper marketing planning-to-execution lifecycle. To better understand how CPGs are pursuing this practice and prioritizing investments, we conducted this survey with professionals involved in the shopper function.

While the survey reveals that SMO is growing in importance, the reasons it is being pursued and the strategies being used to approach it are varied. However, one concept appears to be universally accepted, and that's optimization through the enhanced granularity, relevance and centralization of past and present shopper marketing data at the customer level. With program data traditionally housed in a variety of silos and lacking the depth needed to generate actionable insights, improving analytics is critical to SMO.

Another way shopper marketers are driving SMO is by replacing manual planning and execution processes with workflow automation. With many shopper marketers still planning in disconnected spreadsheets, online tools can open the door to more effective, collaborative decisioning.

Another technology shopper marketers find critical to improving efficiency is digital content management — software that not only can organize and store program assets across brands, but can also personalize them for cross-channel output.

Shopper Marketing Optimization cannot be achieved through technology alone, though. A successful strategy must be led by a clear vision that starts from the top of the shopper team and is shared across departments. This vision must transcend into processes that drive greater collaboration between internal and outside teams, with technology serving as the means of execution and performance the unifying goal.





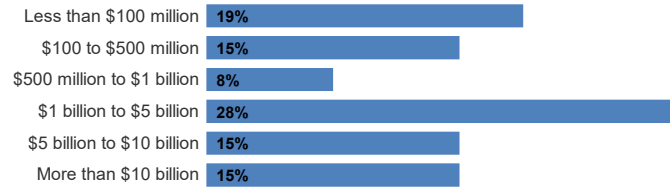
Shopper Marketing Optimization

December 2017

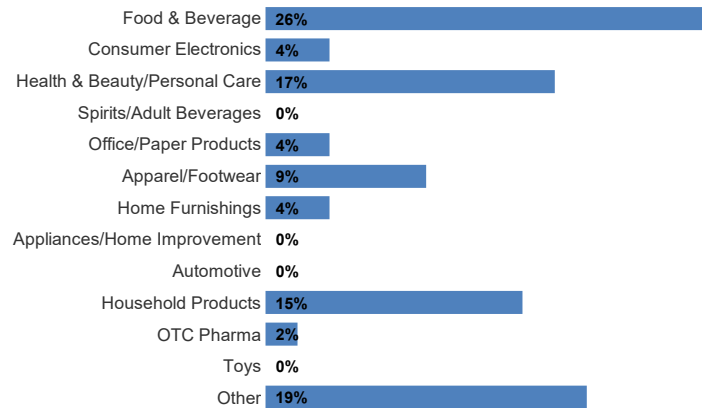


Shopper Marketing Optimization Study

1. What is the average annual revenue of your organization?

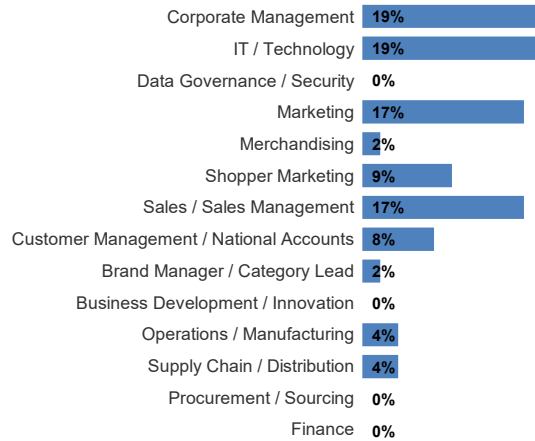


2. What is your company's primary consumer goods category?

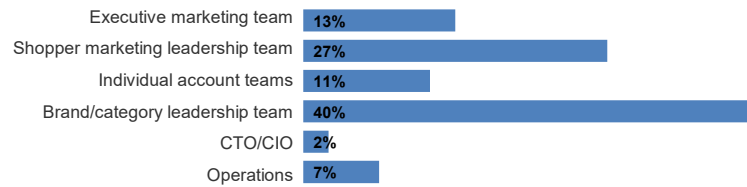


Shopper Marketing Optimization Study

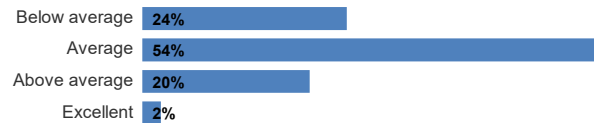
3. What is your current role?



4. Which functional group of your business is currently responsible for driving shopper marketing effectiveness and efficiency?

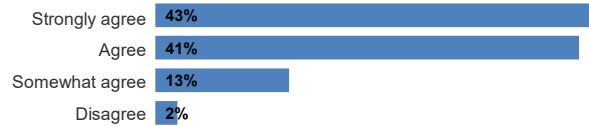


5. How would you rate the efficiency of your current shopper marketing program planning and execution processes?



Shopper Marketing Optimization Study

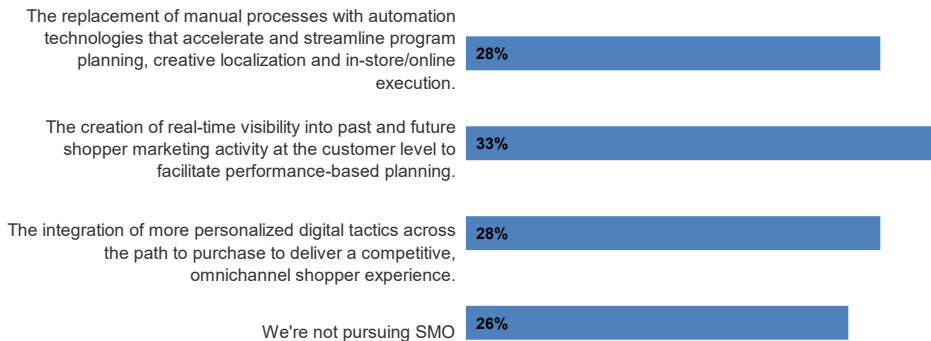
6. Respond to the following statement: *It is more important today than it was two years ago to improve shopper marketing agility and cost-effectiveness?*



7. What key initiatives is your business undertaking to improve shopper marketing execution?
(multiple selections permitted)



8. Shopper Marketing Optimization (SMO) is an emerging concept without a standard definition. Please select all of the definitions below that reflect your current SMO objectives: *(multiple selections permitted)*

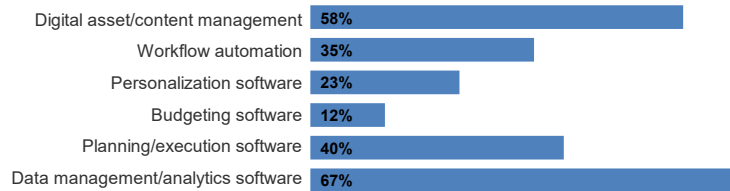


Shopper Marketing Optimization Study

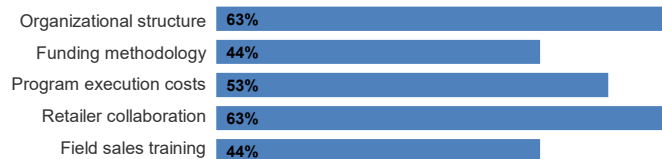
9. What is the primary reason your business is considering an SMO solution?



10. Which types of technologies do you feel are most essential to driving Shopper Marketing Optimization? (multiple selections permitted)

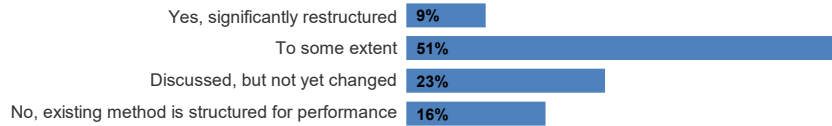


Q.11 Beyond lack of technology systems, what elements must be addressed to drive Shopper Marketing Optimization? (multiple selections permitted)

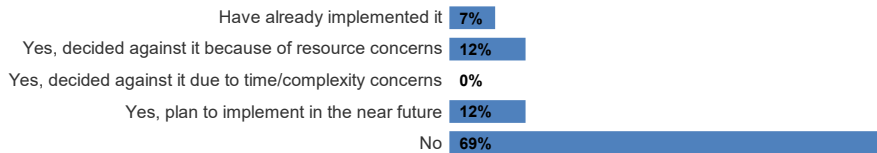


Shopper Marketing Optimization Study

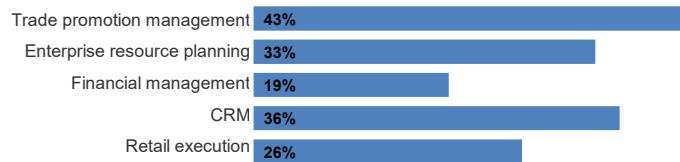
12. Has your organization re-structured its shopper marketing budgeting strategies to support a more performance-based model?



13. Has your organization considered zero-based budgeting as part of its Shopper Marketing Optimization strategy?



14. How important is it for an SMO solution to integrate with the following systems? (multiple selections permitted)



15. What data would be most beneficial in an SMO system? (multiple selections permitted)

