

# Shopper Relationship Management Delivers the Winning Hand

By: Ed See and Jeanne Livelsberger, SymphonyIRI Group

Point of View



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Almost everyone has seen Texas Hold 'Em poker played on TV. If you understand the game you probably have a tendency to play along, making real-time decisions on when to hold, fold, or go "all in." In your head, you may think you're pretty good at it, ignoring the help you're getting from all the players' cards being conveniently displayed at the bottom of your screen.

In truth, it's a lot easier to "win" when you can see everyone else's cards— and it's not your money on the line. The experience is considerably different (more stressful, more humbling) when you're actually at the table, betting your hard-earned cash with no clue as to what the other players are holding.

That's the situation consumer package goods (CPG) marketers find themselves in today. In the current economy, they're playing a high-stakes game of Texas Hold 'Em. Except they not only struggle to see other players' cards. They're not always sure what cards they're holding themselves.

The game is changing, however, thanks to new capabilities that make it easier to understand and manage shopper behavior, from their unpropensed state at the top of the funnel to the decisions they make at the shelf. Two advances make this possible:



1. Technology that provides more granular market data at near real-time speeds
2. A new generation of predictive analytics tools that can derive from that data category-winning insights about shopper behavior that have never before been available.

This new generation of market intelligence platforms is moving beyond simply providing market measurement rear-view mirror statistics. Instead, a new era of Shopper Relationship Management (SRM) is being ushered in with newfound depths of speed, data and acutely relevant presentation. By achieving forward-looking insights, marketers can now see everybody else's cards before planning and executing their strategies, gaining tremendous selling advantages while mitigating their risks.

## The Data Dilemma

In today's world, just measuring the market is not adequate. Knowing what you've done is great, but knowing what to do is more important. And, being able to see trends and behaviors on the most granular level is key. What is needed is market management, not just measurement.

Granular data allows you to start managing the market— to see trends, performance, and opportunities that get lost when the data is aggregate. Imagine if you could see how individual products were moving at individual stores? If you could see that the assortment in stores with a strong Hispanic shopper set was performing differently than another nearby store that had a different demographic skew? It would allow you to plan globally, and act locally, to steal someone else's phrase.

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It's all about moving from wallowing in fun factoids to having information that can drive action.

Speed is the differentiator—the one thing your competitors can't copy. It tips the odds in your favor before you even sit down at the table. Without it you are left at the mercy of all the same factors affecting your competitors. But if you can get granular data well ahead of everyone else, you have a huge advantage. And speed requires simplicity.

Relevant presentation transforms data into information. Without relevant presentation, the time gained in getting data quickly is wasted trying to figure out what it means. The stakes are simply too high to rely on information trickling in from dated technology.

## Ace in the Hole

Still, relevant, comprehensive, timely data only gets us halfway there. Speed and relevancy moves us from delivering fact-based plans that target shoppers yesterday to targeting shoppers today. Achieving true SRM, however, requires another element, one that allows marketers to target where the shopper is going to be tomorrow. Predictive analytic capabilities exist today that allow marketers to pull from similar geographic, demographic and economic situations of the past, and apply them to situations moving forward. Combined with intuitive “what if” tools, marketers can predict with amazing accuracy what shoppers will want before they know they want it.

## The Foundations of SRM

Fortunately, the path to this SRM Valhalla is not completely uncharted. The principles of Customer Relationship Management (CRM) that were used to improve results at the individual level provide a roadmap for marketers to think about shopper behavior. In the case of shoppers, the key is the ability to answer three critical questions quickly:

**Due to**—Why did something happen?

What caused the change? Did we plan for this?

**What if**—What happens if we change pricing? Change the marketing mix?

Bring in new products or new flavors for existing products? Change what we're promoting when? And what if the competition does the same?

**How to**—How do we achieve our goals?

What needs to change to make our goals? How do we course-correct mid-plan? How can we counter competitive actions?

It's all about understanding what influences shoppers and how you can control or shape those influencers. Legacy CPG data systems simply were not designed to do this. But with today's technology you can do more than measure the market. For the first time you can actually manage it, creating new strategies to discover and shape shopper demand in ways never before possible.



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## Upping the Ante

Traditionally, data analysis in the CPG world has tended toward looking at a point in time—usually one in the past. It's not that the desire to work in a more current context wasn't there; the technology simply didn't exist.

Another gap in understanding the bigger picture of shopper behavior was that the information available was tied to a specific action or influencer, rather than the larger shopper lifecycle. These restrictions had as much to do with software limitations as they did with philosophical differences or territorial wars between different departments of the same company.

In each of these cases, the barriers have fallen. Wired and wireless technologies are collecting and delivering data faster than ever. Business Intelligence (BI) systems are built with open application interfaces (APIs) that allow previously siloed data to be exchanged, resulting in an integrated view of the entire demand side of a business. Tying it all together, predictive analytics provide the ability to use all of this data as part of a forward-looking and often iterative decision-making process rather than merely for analysis of what has already occurred.

With these barriers eliminated, no longer do CPG companies have to be sitting at the table, blind to their own cards and



wondering whether their competitors are holding a powerful hand or merely bluffing. The ability exists today to understand what shoppers will do in scenarios they themselves have not yet encountered, making your marketing efforts more fact-based and faster-to-market.

A view of shoppers' actions and influencers—from their state as an unpropensed mass to crowding the aisles of a store—truly gives CPG companies SRM capabilities. With comprehensive information drawn from competitive media buys and inventory levels to store-level demographics and basket data, marketers can specifically craft staged strategies that drive shoppers to the store—and hands to their products.

## Advantages of Shopper Relationship Management

Essentially, marketers have two levers to pull—the message and the brand. What SRM does is provide a more comprehensive, data-driven, daily view into what is influencing today's shoppers while tying it more immediately to the control points available to alter those influencers in your favor. The marketer strategies that result are then more rooted in behaviors, actions and facts rather than old information with holes in-between.

The core of SRM is A) combining deep data with speed; B) making that data available in a day rather than weeks, and;

  
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C) giving marketers intuitive tools to extract and analyze it themselves in minutes rather than waiting hours or days for a query to clear through a gatekeeper. Another advantage gained through the combination of speed, data and predictive analytics is the ability to take an iterative approach to see which offers, messages, pricing and/or promotions work best—globally, within specific markets, and across your various shopper segments, whether delineated by demographics, sociographics or psychographics.

Marketers can test a new soda flavor in several geographic areas with differing ethnicity, age, income level and other variables. They can then test the effect alternate pricing or promotional strategies have to see the impact within those locales, ultimately allowing marketers to develop a go-to-market strategy that has a much higher certainty of success.

At the same time, the speed of SRM can help marketers react to elements beyond their control, such as a snowstorm that cripples the East Coast or an earthquake on the West Coast. With faster insight into what is happening at the store level, marketers can shift media plans and promotions as-needed to assure that the value of every dollar spent is maximized.

SRM is certainly helpful to marketers when facing CFOs regarding budgets—whether that's staving off budget reductions or making a case for additional budget.

It shows in real terms the effect various marketing vehicles, messages, pricing and promotion strategies, etc., have on sales. Through its predictive analytics component, it also demonstrates the effect that removing or redirecting the marketing budget away from long-term brand building and into short-term gains will have on the brand's overall performance.

In the end, practicing shopper relationship management not only helps maximize opportunities for CPG companies—it also helps mitigate risks.

## Conclusion

Whether you're talking about poker or CPG marketing, the more you know the easier it is to make the right decision. But if you know what none of your competitors know, and know it long before they can find out, you will gain a distinct advantage measured in weeks or months—and dollars.

Shopper relationship management will help you know with greater certainty what shoppers will do before they ever set foot in the store. It gives you the ability to look at all the marketing touchpoints, engineer the lifecycle and most importantly adjust your programs as needed to gain the maximum return. Because in the end, the CPG company holding the winning hand will be the one that understands that lifecycle best.

## About SymphonyIRI Group

SymphonyIRI group, formerly named Information Resources, Inc. ("IRI"), is the global leader in innovative solutions and services for driving revenue and profit growth in cpg, retail and healthcare companies. SymphonyIRI offers two families of solutions: core IRI solutions for market measurement and symphony advantage solutions for enabling new growth opportunities in marketing, sales, shopper marketing and category management. SymphonyIRI solutions uniquely combine content, analytics and technology to deliver maximum impact. SymphonyIRI helps companies create, plan and execute forward-looking, shopper-centric strategies across every level of the organization. For more information, visit [www.SymphonyIRI.com](http://www.SymphonyIRI.com).

Corporate Headquarters  
150 North Clinton Street  
Chicago, IL 60661-1416, USA  
Telephone +1 312 726 1221  
[www.SymphonyIRI.com](http://www.SymphonyIRI.com)



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