

TOPICS

Reconnecting With Shoppers

SAN ANTONIO — One of the new tools introduced at SymphonyIRI Group Inc.'s Summit 2010 conference was Target Advantage, which is billed as a next-generation solution for shopper segmentation and target marketing programs.

Developed with Acxiom Corp. and SRC, and brought to market by SymphonyIRI, Target Advantage is a collaborative, Web-based tool designed to allow consumer packaged goods (CPG) manufacturers and retailers to target their most valued shoppers more easily.

It makes use of behavioral, attitudinal and psychographic data, as well as automated analytics. In addition, it integrates a full array of marketing media data, including point-of-sale scan data and consumer panel insights from SymphonyIRI.

"CPG leaders are reconnecting with shoppers directly and can no longer rely on mass media and standardized products that are not customized to their needs of discrete shopper groups," said SymphonyIRI Consumer & Shopper Insights president Robert Tomei. "Marketers that can successfully reestablish that connection with shoppers down to the household level will win. Target Advantage is the first of a new generation of solutions to help manufacturers and retailers get there."

SymphonyIRI Name Introduced at Summit

SAN ANTONIO — Information Resources Inc. (IRI) kicked off its Summit 2010 event with big news: the rebranding of the company as SymphonyIRI Group Inc.

SymphonyIRI chairman Romesh Wadhvani, who announced the rebranding, said it reflects the company's rich heritage in superior market measurement, as well as its expanded expertise in solving consumer packaged goods (CPG) manufacturers' and retailers' most strategic business issues.

"The company has rapidly grown into the worldwide leader for creating innovative solutions to the continuously evolving needs of CPG, retail and health care companies," Wadhvani said. "A unified SymphonyIRI Group enables our blue-chip clients to translate deep, highly nuanced business insights into transformational strategies and actions for a markedly elevated level of impact across their entire organizations, including sales, marketing, merchandising, category/

brand management and shopper marketing. This approach represents an entirely new plane of value creation and engagement with our clients to fundamentally help them achieve breakthrough performance and dramatically improved return on investment."

Besides reflecting the company's new products and services, which include strategic consulting and predictive analytics, the rebranding is meant to emphasize the link between SymphonyIRI and its parent company, Symphony Technology Group, which has 16,000 employees worldwide and combined revenues of \$2.5 billion across all of its portfolio companies. The connection with its parent and sister companies represents a source of operational expertise and other resources for SymphonyIRI.

"While we now have all of the capabilities to play a much broader role, the IRI brand name in some ways was confining," said SymphonyIRI president and chief executive officer John



SymphonyIRI's Romesh Wadhvani announces the firm's rebranding

Freeland. "The last two years have been about fortifying the required set of building blocks, defining a bolder vision and, most importantly, innovating new capabilities and executional competencies to place us center stage in addressing clients' most important strategic issues. SymphonyIRI Group is more than a

new name: We are revitalizing our core business, strengthening our emerging businesses and evolving our fundamental value proposition to more accurately reflect our broader, higher value orientation and focus — a transformation that both embraces and extends beyond the traditional market research space."

Anicetti Calls for New Kind of Collaboration

From page 26

and sophisticated facial recognition software to track every customer. The system follows customers from the moment they enter the store until they pay for their purchases and leave.

Delhaize plans to add two more lab stores, Anicetti said.

"By the end of October, we hope to have more than 600,000 individually mapped customer

transactions and customer trips, each of which we can attach to transaction data, which attaches to loyalty card data, which attaches to segmentation, clustering and trip mission analysis and insights."

The goal is to get a better understanding not only of what customers buy, but also of what can interrupt the purchasing process and cause shoppers to leave

without buying a particular item.

Delhaize intends to share its various customer data with the consumer packaged goods community through a series of vendor collaboration tools that Anicetti said are "not revenue enhancing" for the retailer.

Vendor Pulse, for example, offers store-level and item-level product movement data, which can be used to improve in-stock positions and inform inventory planning and promotional planning. The Shopper Insights Portal, meanwhile, is designed to share shopper and trip insights with vendor partners, providing details about store clusters, customer segments and trip missions. Delhaize also has a Vendor Collaboration Team staffed with analysts who can help suppliers mine this data.

In addition to using its customer insights to collaborate more effectively with vendors, Delhaize intends to integrate them into its own category management planning process.

Part of Delhaize's process involves treating each category as either a "cluster" or "standard" merchandised category. Cluster

merchandised categories require differentiation across store clusters and banners in order to maximize sales, while standard merchandised categories can be treated the same way in all stores.

Anicetti concluded his presentation, called "A Framework for Profitable Collaboration," by arguing that retailers and manufacturers need new tools to gather and mine insights about customer behavior, and need to use that knowledge to shape their category management activities. The traditional form of category management, which has changed little in the last 25 years, is not sufficient for success in a market that is in flux because of economic pressures on consumers and competitive pressures on retailers and their suppliers.

"What's needed is a uniquely different form of collaboration that will span the entire supply chain," Anicetti argued. "And the winning opportunity will require talking about more than just selling more boxes, even though the suppliers who can plug and play into that kind of collaboration will in fact sell more boxes."

'Convenience Overtaken by Value'

SAN ANTONIO — America has entered an "age of thrift" that will outlast the current recession, an analysis by SymphonyIRI Group Inc. suggests.

Another manifestation of that trend is channel downshifting, where consumers spend more money in such value channels as warehouse clubs and dollar stores, and less in convenience stores.

"Convenience has been overtaken by value in terms of the way today's shoppers are behaving," said SymphonyIRI chairman Romesh Wadhvani.

One downside of the move away from convenience is that shoppers are doing more advance planning before heading to the store, and are making fewer impulse purchases.

On the upside, however, their search for value has the typical shopper making 6% more shopping trips. That translates into 600 million additional visits to a store. According to Wadhvani, capturing just 1% of those added trips on behalf of a manufacturer's brand or a retailer's store would translate into \$10 million in incremental revenue.

"This change in shopper behavior, driven by value, represents an extraordinary opportunity for growth for those who take advantage of it properly."

In addition to making more shopping trips, consumers are visiting more stores. Wadhvani said that the number of stores the average consumer visits in a typical month has more than doubled. Also of note, according to SymphonyIRI, is the fact that consumers are not equally value-conscious in all categories, and are actually spending more on health and wellness.

Demand for Age-Driven Health, Wellness Products to Surge

CHICAGO — As baby boomers increasingly experience such age-related conditions as high blood pressure and high cholesterol, they are turning to prescription drugs, over-the-counter medications and even food and beverages to help them cope.

That represents a big opportunity for retailers and manufacturers, according to the report

"Healthcare III: Understanding the Age-Driven Health & Wellness Needs of Baby Boomers," from SymphonyIRI Group Inc.

"Americans aged 55 and older represent more than one-third of the U.S. population," says Krishnakumar Davey, managing partner at SymphonyIRI Group Consulting & Innovation. "This number alone is quite staggering,

and when you couple it with the fact that they control 50% of discretionary income and fill 30% more prescriptions than the average person, you have a golden opportunity. Retailers and manufacturers need to build shopper loyalty and a new competitive advantage around increased variety and in-store messaging that support categories, segments and

products with specific benefits that link to age-driven health and wellness needs."

Understanding which ailments to focus on and which product attributes are effective in serving these shoppers is a critical first step in building a disease state management platform, the report contends. For instance, most people with chronic high blood

pressure (87%) depend heavily on prescriptions to treat their condition, but nearly 50% also focus on a healthy diet to control their weight. They also need to avoid high-sodium products, eat plenty of fiber and minimize high-fat, high-calorie products. Sugar-free diet candy, ground decaf coffee and sugar substitutes are popular with these consumers.