

TARGETING INCREMENTAL SALES

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“The fastest way to maximize category growth is to add highly incremental products.”

Captain Obvious

How much those products add is a function of volume and how they drive incremental usage occasions or new shoppers. Pulling either lever grows the category faster. That’s why retailers tell us they’re more focused than ever on identifying products that help them attract (& retain) incremental shoppers, trips and usage occasions.

“Having the right products is one of the best ways to target and attract different segments of shoppers. We need assortments that best reflect what we’re trying to accomplish.”

“Targeting this new shopper group... can attract and build our shopper base.”
“(Certain brands) help us to attract newer shopper base with their products.”

Source: Edgewood confidential trade probes with leading FDMC retailers

In today’s increasingly fragmented marketplace, many leading brands with historically wide appeal are being picked apart at the fringes by niche players. New brands are finding success by effectively targeting unique and emerging consumer segments in ways that may start small, but build into a solid base that also delivers high levels of ‘Incrementality’. As such, retailers have become far more savvy and inquisitive about brands’ consumer positioning and the investment and precision with which they target shoppers to drive growth. Retailers tell us they readily welcome insights and support from their vendor partners to target and market to shoppers more effectively.

“Insights about shoppers: who buys what, demographics, ethnicity, gender, age... we would love to learn this information!”

“(We want) shopper insights to understand what they are looking for and how that varies by region”

“We don't know who our most attractive shoppers are. This is honest answer.”

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One area that frustrates retailers is when they don't get the insights or marketing support from mfgs they want to activate shopper targeted retail marketing.

"(We'd like) more shopper studies. We have been seeking this for very long time, but most vendors think it's not a relevant issue. I beg to differ.."

"We'd like more shopper insights and shopper targeting... Most manufacturers for some reason have difficulty providing this."

"Knowing these facts are one thing but knowing how to use them is more important. Without this, any knowledge they provide is just information. Implementation is critical to brand success"

Steps to Effective Targeting

1 Quantitative

Targeting Qns:

- Who?
- What ?
- When?
- Where?

2 Qualitative

Targeting Qns:

- Why?
- Why not?

3 How

Execution:

- Strategy
- Tactics
- Metrics



Retailers invite insights and support to identify who their most attractive shopper targets are, and the best ways to pursue them.

Steps 1&2 are the quantitative and qualitative targeting questions and analyses that help to identify who the most attractive shopper targets are for a given category, brand and retailer. This requires both analytic rigor and strategic experience to navigate the many possibilities to arrive at the most productive targets. Are they demographically driven or psychographic? need driven or social? Are you better off attracting new shoppers or migrating lighter users to heavier usage? What drives attitudes or usage occasions? seasonal or regional? What drives channel and retailer choice? At the end of this process, you'll ideally have a strategy for who you'd like to target. Unfortunately, this is where the process ends for most, but it's only half the battle.

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*Strategy without tactics is the slowest route to victory.
Tactics without strategy is the noise before defeat.”*

Sun Tzu



Step 3 is developing and executing the targeting strategies and tactics that move the needle. Effective implementation requires strategy, creativity and enough confidence to invest behind the initiative. As with any pioneering effort it's also important to set goals and track results to assess, refine or change strategy & tactics accordingly to improve your ROI. The best implementers are daring enough to be bold and also very alert and quick to recognize,

admit and act when changes are needed. Bold and nimble execution is the best way to develop and preserve first mover advantage.

This more shopper targeted approach is a pillar in the foundation of your 'next level' collaborative partnerships with retailers and will help drive more incremental results.

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