

'Futurescope' Study Shows How Shopper Marketing is Evolving

By April Miller

NEW YORK — Organizational structure in regard to shopper marketing may not look the same at any two companies — various job titles, reporting structures and scope of responsibilities exist — but it's clear that for the leading-edge CPGs, shopper marketing has earned a definite seat at the table. That was one of the key findings in GfK's "Futurescope 2013: Evolution of Shopper Marketing Organizations."

GfK conducted Web-based surveys with more than 50 respondents at more than 40 companies, with an additional 12 senior-level in-depth interviews. Seventy-seven percent of respondents said shopper marketing is a dedicated function at their companies (with 74% saying that's occurred within the last two years).

The discipline is continuing to get more recognition because of need — retailers are demanding more from their vendor partners, and both the retailers and brands are working harder to win with savvy shoppers along the entire path to purchase.

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Ubisoft's Steve Carlin, senior director, marketing and insights, likens the changes to the discipline to what happened a few years ago with category management. "Retailers began to expect it, and it gained credibility," he says. "The capability of shopper marketing has grown to the point where it is able to be its own function. It is rooted in insights that are grounded in data and fact. You can come to the table with facts, not opinions; data, not conjecture. That gives you the ability to go in front of retail partners and be a strategic asset."

That shift from tactical function to strategic discipline has happened over time. MillerCoors' Dan Hennessy, vice president, channel marketing, says the evolution is due to various factors, such as "great strategic partnerships with some key retailers where we created category-building tools/programs that supported their strategic objectives; better shopper data that gave us additional ideas to explore and leverage at retail; better technology to reach the right consumers at the right time; and competition stepping up here always raises the visibility internally."

With shopper marketing as a dedicated function, it has a much greater impact on brand plans. GfK's Sarah Gleason, SVP, shopper & retail strategy, says that in the past brand and sales management would develop plans and then pass them along to others. It is now a much more integrative process with shopper marketing folks involved early on in development planning,

Is shopper marketing a dedicated function at your company?

2013 Futurescope	77%
2011 Futurescope	47%
2010 Futurescope	34%

What areas are you responsible for in addition to shopper marketing?

Digital/mobile shopper	63%
Customer marketing/planning	55%
Customer collaboration	53%
Channel marketing/innovation	43%
Shopper insights	43%
Merchandising	29%
Category management	22%
Trade marketing	22%
Etailing/e-commerce	18%
Packaging	14%
Other	10%

What function does your role report into?

	2013 Futurescope	2010 Futurescope
Sales	37%	17%
Marketing	20%	19%
Executive	14%	27%
Shopper marketing	9%	—
Strategy/planning	6%	5%
Customer marketing	2%	—
Other	10%	13%

Who funds shopper marketing?

Brands/business	71%
Dedicated shopper marketing budget	39%
Key account teams	22%
Corporate	14%
Other	4%

agree/strongly agree



The emergence of omnichannel has impacted the role of shopper marketing

disagree/strongly disagree



It is not always clear which functions/groups own what tactics



Shopper marketing is well-integrated into annual planning



My organization is supporting shopper marketing with adequate resources and funding



Source: GfK Futurescope 2013: Evolution of Shopper Marketing Organizations



she says. "That's a big change in the last three or four years."

Also changing is the growing number of functions — such as digital/mobile shopper marketing, customer collaboration and customer marketing/planning — combining with shopper marketing. "This is not coming under but combining with," says Alison Chaltas, executive vice president at GfK. "The scope is really increasing as a recognition of the functions that need to come together to win with shoppers."

Increasingly, shopper marketing is finding its home in sales (rather than reporting into marketing) in an effort to stay close to retailers and their shoppers. "This is a challenging role between sales and marketing," Gleason says. "You need to understand the brand and its strategic needs as well as understand the retailer and its needs." In addition to being strategic and understanding data analytics, shopper marketers also need the softer skills to collaborate across groups. Shopper marketing is now seen by more

progressive organizations as a highly valued career step for high-potential marketers, Gleason says, and that's a shift from being treated as a more tactical role simply executing promotions at a retail level. But, "do organizations have the right people with the right capabilities to take advantage of shopper marketing's strategic potential who can also understand the retailer's requirements?"

Going forward, look for shopper marketing to drive increased collaboration with retailers and be a major player as omnichannel retailing grows.

Oftentimes, MillerCoors' Hennessy isn't even briefing a program until he's met with the retailer to understand their goals and strategy for the company. "You will see more and more co-development of programs with major retailers," says Hennessy. "And an increased use of technology to make shopping easier."

For Ubisoft's Carlin, omnichannel retailing means delivering a contextually relevant

message to the right person at the right time. "You can certainly do that through a mobile device now, but everything else comes across as big-brotherish," he says. Although it's a delicate dance forward to mass personalization, since the "actual point of decision to purchase falls within the context of shopper marketing, the omnichannel concept is one that shopper mar-

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keters have a right to lead in a lot of ways." Going forward, expect a continued evolution. "Based on interviews, there is still a really steep learning curve," Chaltas says. "It is a fun and exciting time as we write the new roadmap."