

# HARNESSING BIG DATA

## Navigating the Shopper Universe

A syndicated database can help retailers understand influences on shopper behavior. BY JIM DUDLICEK



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**T**he “what” part of retail is fairly straightforward — it’s the “why” part that presents a more significant challenge.

But with all challenges lie opportunities, and taking on the challenge of understanding the motivations behind why shoppers buy what they buy, and how they buy it, could pay off in manifold ways.

“There are lifestyle tensions that impact shopping behavior for each shopper segment, but these tensions often extend beyond the store: time stress, financial pressure and information overload,” explains John Essegian, EVP and matrix lead, Americas at Palm Beach

Gardens, Fla.-based TNS Global. “Retailers can increase their market share with each segment by understanding and addressing these important lifestyle tensions.”

### The Scenic Market Landscape

The TNS Shopper Universe is a large syndicated database that maps the competitive arena for several major channels: Grocery, Mass/Supercenter, Club, Convenience, Dollar Store, Drug, Natural/Organic, Pet and Home Improvement.

It includes a market landscape depicting how shoppers perceive the marketplace, a shopper segmentation for targeting, and an occasion-based need segmentation detailing what’s most



motivating to shoppers on each trip. The database provides retailers and manufacturers with a comprehensive understanding of this broad marketplace, and the key drivers of choice for shoppers.

"Shoppers' functional needs are generally well met," Essegian says. "However, opportunities exist to engage shoppers on a more emotional level, such as helping them simplify their lives, leveraging modern technology and creating a more experiential shopping trip."

To that end, TNS has identified nine occasion-based need states. A little more than half of shopping trips, defined by consumer needs, are more experience-driven, while the remainder tend to be task-focused, TNS research reveals.

### Experience-driven

The experience-focused need states break down as follows:

- **Smart Family Fun:** These consumers want shopping trips to be fun, relaxing and productive experiences in which they know they can take care of their family's needs. They expect enjoyment to be facilitated by technology aids, a convenient and pleasant in-store experience, and good value.
- **Only the Best:** Needs on these shopping trips are for top-tier brands, often outside the mainstream, including fresh, healthy and natural products.
- **Rewarding Experience:** Shopping on these occasions is more than just consumerism, it's an uplifting and inspiring experience, thanks to the combination of the retailer's values, great staff, and interesting and unique products.
- **Food Safari:** Shoppers want this kind of trip to be more than just stocking up on weekly staples; they want the experience to provide a little adventure and exploration. It's a chance to try new and different products such as exotic, gourmet, organic and healthy items.

### Task-driven

Task-focused need states shake out as follows:

- **Weekly Grocery Shopping:** These shoppers want every food item their family needs for the week under one roof. The store needs to have a wide selection of both packaged and fresh food items. This type of shopper looks to coupons and quality store brands to help them stay on budget.

- **Hassle-free Value:** The shopping trip should be easy and efficient, providing good deals and incentives while covering all brand needs, from premium to quality store brands.
- **Personal Care Plus:** These shoppers are looking for a store with a good selection of personal care and household items that they can shop at any time of the day or night. They also want the store to have a good selection of snacks and beverages.
- **All-around Value:** These shoppers want a place great for stocking up and bargain-hunting, with everyday low prices, great specials and economical package sizes. It makes them feel smart. The hours should be convenient, and it should be a place that the kids enjoy.
- **Grab and Go:** This is all about fulfilling an immediate need to quickly and easily grab a snack, beverage or fill-in item at a store located on the shopper's normal route.

### Meeting All Needs

More generalist retailers, such as grocery, mass and club, have a strong incentive to moderate alignment to both task-driven and experiential need states, TNS research notes. Specialty stores tend to be more associated with experiential shopping.

Although each shopper segment participates, to at least some degree, in each need state, the more engaged shoppers tend to have more experiential needs.

"Most shoppers use multiple channels to meet their needs, and while they see distinct differences between channels, they perceive much less difference between the retailers within each channel," Essegian notes. "Stronger differentiation is needed by retailers in all channels."

Among all channels, he says, club retailers have the highest levels of shopper commitment; this means that their shoppers express the highest levels of satisfaction, likelihood of continuing to shop at that retailer and likelihood of recommending that retailer.

Further, Essegian affirms the growing importance of the Millennial demographic. "Millennial shoppers like to treat themselves — more so than other age groups — and will appreciate opportunities to do so when shopping," he says. "They will also often purchase more than they intended to on a shopping trip." **PG**

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