

Just-in-time shopping now the norm

Consumers' grocery shopping patterns are quickly evolving as just-in-time shopping is becoming the norm. In its September *Times & Trends* Report, "The Omnichannel Journey: Translating Big Data into a Prescription for Growth," Chicago-based IRI reports that quick trips — the "I need it now" grocery excursions — today account for two-thirds of shopping visits and one-third of grocery expenditures.

These trips are not made at one store or even one channel, IRI noted. In fact, there is a major shift in how consumers are approaching grocery shopping because they are spreading their money across more channels and formats as they shop to fulfill their needs.

"Retailers are grappling to not only understand consumers' varied shopping patterns, but also capture shares of their increasingly fragmented shopping trips," said Susan Viamari, vice president of thought leadership for IRI. "Retailers need a clear 360-degree view of shopper spending to grow."

"This perspective will help them know what their key and target shoppers are looking for so they can engage the shopper where, when and how it matters most to them," she added. "Those retailers that can personalize the shopping experience move their customers up the loyalty ladder, increasing the lifetime value of those customers and supporting growth along the way."

Industry experts estimate that it costs anywhere from five to 25 times more to acquire a new customer than it does to retain an old one. With this in mind, IRI stated that it encourages retailers to follow four steps to maximize the value of each and every one of those customers and capture share:

1. **Reward current customers.**
2. **Grow current customers.**
3. **Activate new shoppers.**
4. **Reactivate customers who have left.**

Maximizing customer loyalty begins with understanding

high-value customers and assessing their level of loyalty, IRI stated. And to move customers up the loyalty ladder and even acquire new customers, retailers need to shift from the standard category management perspective to a customer management perspective.

Loyalty programs are flush with information about members — from category and brand preferences to price and promotion sensitivity. This information is essential to developing programs that target and resonate with a retailer's best customers, IRI pointed out.

Personalization will be the crux of future retail success,

but retailers should not abandon mass-marketing programs, IRI said. Instead, they should supplement mass efforts with targeted programs aimed at deepening the customer relationship. Getting this right means that retailers need to know their customers inside-out, so they have the right marketing programs, the right products and assortments with the right prices, and marketing messages aimed at positively influencing customer loyalty and driving activation.

Targeting these high-value customers is not easy, IRI noted.

Traditional scanner, demographic and frequent shopper program data provide some visibility into important shopper attitudes and behaviors. However, they do not deliver the all-important 360-degree view of shopping and spending habits or visibility into the rest of the market and national coverage.

"The path to purchase has become a maze of twists and turns, with thousands of points of interaction along the way," Viamari emphasized. "Retailers need to harness the vast sea of big data around shopper attitudes and behaviors and bring it together in integrated and real-time fashion. Only then will they understand what is moving the needle today — and predict and prepare for what tomorrow will bring — so that they can consistently serve their customers in a highly personalized and engaging fashion."

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