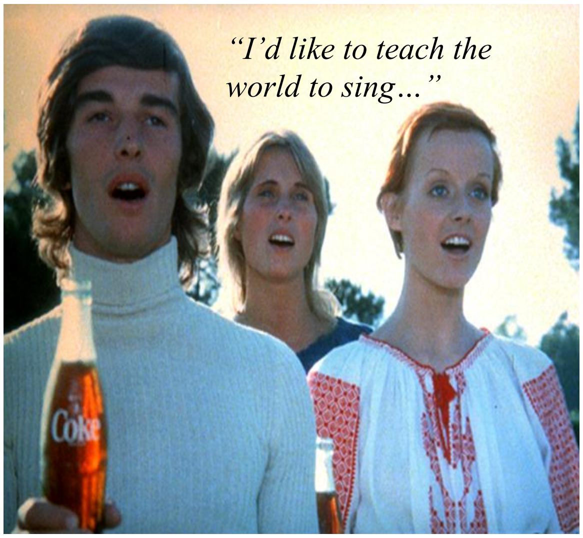
Getting Traction at Retail



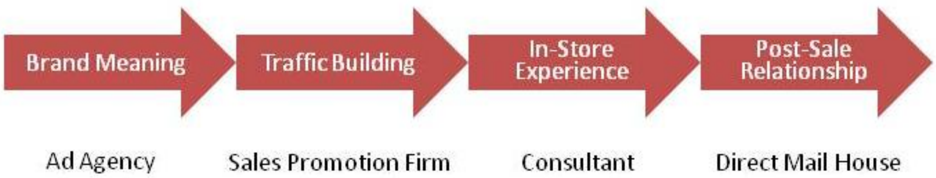
Over the years, marketers have done some pretty clever (and admittedly some not-so-clever) things to attract attention. Before we referred to everything from a new logo to a :30 TV commercial to a facebook promotion as branding, we might have just called it advertising. The industry had a little more humility in those days.

Remember all those people gathered on that hilltop in France? I was never quite sure what they had to do with Coca Cola but it got my attention. It said Coke is an international drink; it's young and it is somehow associated with everything good. These commercials not only did their job; they became one of the most noticed campaigns in advertising history. I'm sure the people at Coke and their agency were quite pleased.

But that was a long time ago. The expectations have shifted. Clients began to resist and even resent big budget, "image advertising" that generated awareness and maybe even made you feel good but didn't "finish the job." The new framework is more ambitious. It requires the brand—and the people who build brands—to do more. We suggest that it actually has four components which we refer to as "skill areas."

The Traction Model

We refer to our version of this phenomenon as the Traction Model. It is based on the simple but two-fold premise that: 1) there is a continuum of consumer impact and that 2) no marketer is evenly skilled across the continuum of impact. To complicate matters, traditionally a marketing client procured different services from different companies. Branding was the responsibility of the advertising agency; traffic building was relegated to the expertise of the sales promotion company; the in-store experience was perhaps left to consultants and brokers; post-sale relationship management, if it existed at all, was left to the staff at the marketing organization working with a direct mail house, letter shop or research firm fielding a customer satisfaction study.



The result was something less than holistic, comprehensive, seamless or organized. It was not integrated and therefore traction was lost (assuming that it was ever gained by an effective branding message in the first place). Perhaps even more significantly, brand health suffered from strategic conflicts or lack of skill in certain areas. Culpability was deflected and the vendors supporting a particular brand were often at odds with one another. Ah, the good old days.

Several trends have combined to change this to some degree (although it is still a work in progress). The first is the trend towards integration of agency services. Those of us who have worked at large advertising agencies and marketing communications firms know that this has been a twenty year, bumpy ride. But, an inevitable one. The second trend is the increasing strength emanating from retailers. This comes in the form of company owned stores, franchise stores and independent retailers with improved sales information, often owing to scanner systems and more sophisticated point-of-sale technology in general. The lesson we learned over the years is that you can no longer push around the trade. A third trend is the mind-boggling power of technology beginning with the relational database and ending (to date) with the dozens of social media platforms and the personal devices on which they are operated. These technologies have conspired to dramatically multiply the possibilities with respect to post-sale outcomes…both good and bad.

These are hard-won lessons and we've learned them working shoulder to shoulder with out clients.

The independent furniture retailer told us:

…the print ads aren't enough; we need your help getting women to our stores.

The bedding company told us:

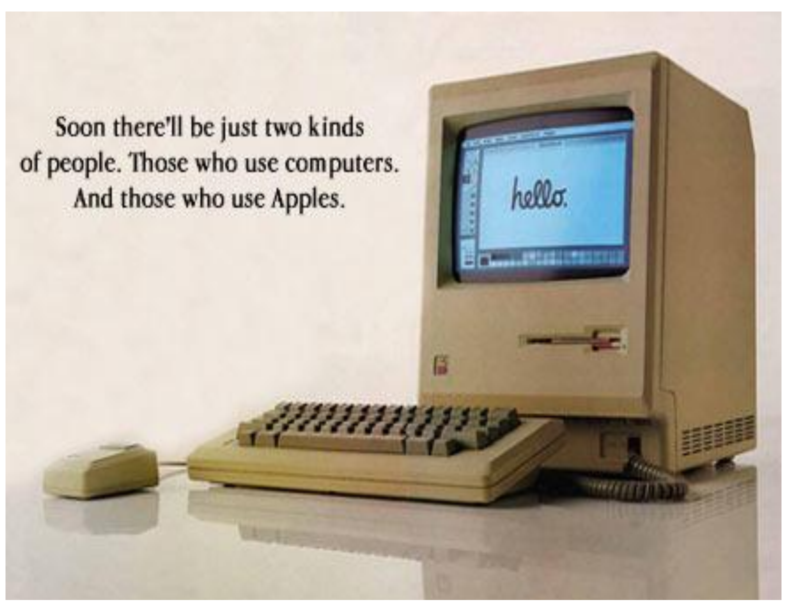
…the in-store experience is a disaster; we need better ways to display our products and inform shoppers about differences in style, thread count, and product care.

The automobile aftermarket company told us:

…just because their warranty has lapsed doesn't mean we don't want to continue to have a relationship with our buyer.

High Marks

Let's look at some marketers who have done it right or at least excel at certain skill sets.



<u>Brand Meaning: Apple</u>. They launched with an ad headline that simply read: *"Hello."* It was the *"computer for the rest of us."* Unassuming but empowering. The antithesis of "big blue" as they and their followers referred to IBM. When other computers were black, they made theirs an off-white, buff color and designed it to be anthropomorphic (resembling a human head). They named it after a fruit and were the first to commercialize the use of what seemed silly to a conventional computer user: the mouse. They were a challenger brand at inception with a carefully positioned offer aimed at younger consumers, families and schools. They were everywhere IBM wasn't.

More recent campaigns compel us to "think different" and continue to challenge authority, creating an attitudinal position in a category that has historically been about functionality and other left-brain concerns. Yes, they have packed meaning into their brand and have built a brand that truly transcends individual products to the extent that they can now very effectively market personal devices under their brand aura.

<u>Traffic Building: Lowe's Home Improvement</u>. Admittedly, they have an advantage because they *are* a retailer, so their product is the store. And it shows. They schedule promotions to lead and coincide with key seasonal opportunities…long weekends, springtime gardening, Father's Day. They make extensive use of co-op programming and they test everything they do. They advertise heavily and feature specific products, again, usually supported by co-op dollars.

The media mix includes a wide cross-section of media channels including television, traditional print, store and mailable circulars, direct mail, web banners and key word marketing. They publish their own magazines. The website is a state-of-the-art site promotional tool that includes what you would expect in terms of a zip code triggered store locator but also leads with a "price & availability" overlay promoting specific high ticket products.

They know how to drive traffic to their stores. And their "Improving Home Improvement" campaign isn't just a generic campaign for the category; it promises a better experience. A promise they generally deliver on.

<u>In-Store Experience: Starbucks</u>. This megabrand has not been built by traditional means. Notoriously a light user of traditional media and advertising, most of what Starbucks does happens within their regions and at the store level. They have created a "virtuous cycle" from what could have been a difficult problem.

Despite a wide and ever-expanding product line, most people still drink most of their coffee in the morning. And, many buy it by the cup on the way to work. That creates a peak-load problem but frankly one would be expected in any QSR environment. In response, what the Starbucks people did was a lesson in over-compensation. They added music, leather sofas, slate tile, fire places and a line of "experience products" to enhance the customer experience. If you are there at 8:00 am waiting in line (which you will be), you hardly notice the inconvenience because the surroundings have become part of the product.

The store design is easily as tasty as the coffee. Many people believe that Duncan Donuts has always had better coffee or that Starbucks is over-priced or that Starbucks is over-roasted. What most critics are not allowing for is the power of the experience--which in Starbucks case remains unmatched--and that their customers are drinking the environment as much as they are the coffee.

<u>Post-sale Relationships: Maui Jim's Eyewear</u>. Hopefully not an urban legend, I recently heard a story worth sharing (which is exactly what this brand or any brand would hope for).

For those of you not familiar with this niche oriented brand, they are a premium line of very well designed sun glasses with a retail price range between $159 and $349. That's right, they are the good uns. So, for many, they are too expensive relative to the generic utility of what a sun glass is. Let's face it, other fashionable and polarized glasses are available for $49. But when one consumer had his dog eat his glasses (apparently mistaking it for homework), that's where this brand began to shine. Reportedly, with proof of purchase and the returned (and mangled) glasses, the company sent the owner a new pair. Lots of companies may do that…it's the *way* they did it. They sent them in a "dog proof" box which was labeled as such. It included a letter and a bag of dog treats to keep the pet occupied in a more appropriate way. When I heard this, I wanted to own a pair of Maui Jim's. If I already owned a pair, I would remain loyal and probably tweet my experience to my friends. I would "go viral." So credit Maui Jim's with great vision when it comes to post-sale relationship management.

It turns out this is not an isolated incident. Their website features blog posts and youtube videos of customers and their unique experiences with Maui Jim glasses. They've turned the experience after purchase into part of their brand. In summary, they are creative and intentional in the way they manage customer relationships.

The Traction II Framework

Over a twenty year period, we have developed this framework and the sub-criteria for evaluating our client's efforts in retail environments. We refer to his model as "Traction II" because an earlier version left out the post-sale skill area. This has obviously become an area where a great deal of traction can be gained and where a "multiplier-effect" can take hold as consumers become brand advocates through viral networks.

We implement this model in a collaborative setting that 1) audits current status or skill level in each area, 2) shares best practices and ideas from other clients and experiences and 3) identifies the handful of areas where change will lead to the greatest return on marketing investment (ROMI). Of course, the criteria can and do vary by product category. But the principle remains intact: optimize impact across the continuum by identifying strength and weakness areas.

Brand Meaning	Traffic Building	In-Store Experience	Post-Sale Relationship
Consumers relate to brands but merely buy products. Brands are the transcending concepts and values that give consumers the initial cues and the long-term meaning needed to form and sustain relationships.	Retailers increasingly expect "the brand" to drive traffic to stores and on-line sites. This shared responsibility depends on the understanding of the retail landscape and the delivery of behavioral drivers and not just imagery.	The store environment should be an extension of positive brand values and not conflict with brand messaging. Brands, in cooperation with their retailers, should control the retail experience and incent immediate purchase.	This skill area defines the difference between one-time "transaction" and long-term "relationship." It can also create the multiplier-effect that is possible when a customer becomes a brand advocate virtual partner.
• Market Understanding • Segmentation and Targeting Strategy • Focused Value Proposition • Effective Creative Device • Emotional Cues • Media Threshold Weight • Message Continuity & Consistency	• Promotion Overlay Tuned to Impacting Behavior • Lead the Sales Season • Geo/Demo Targeting • Directional Messaging • Right Locations • Right Hour	• Parking • Customer Flow Mngt. • Store Design • Store Maintenance • Sensory Experience Checklist • Customer Greeting • Product Line Breadth • New Ideas • Purchase Incentives	• Customer Sat. Study • "Thank You" Correspondence • Referral Mechanisms • Continuity Products & Programs • CRM Segmentation & Promotions Targeting

Brand Meaning

Creating brands that mean something to someone is more important than ever. With an exploding array of peer-to-peer communications channels, more information is passed around that may have not have originated with the marketer or sponsoring organization. While unintended messages, both positive and negative, are proliferating, intended messages are often lost in the clutter. There is therefore more pressure on the brand to serve as a foundation for traditional media, promotions, social media and the more tactical expressions of marketing. Brand becomes the structure by which other messages can be connected or affixed.

Building a brand does not happen over night and is the result of a well thought out value proposition and out-reach or contact strategy. This begins with the value proposition and is supported by message and graphic consistency (across contact points) and continuity (over time). Brands are inherently emotional…that is, they include the emotional and psychic "cues" that attract consumer attention and create true connection. Brands are associations with consumer values and are usually the result of consumer research to discover or uncover those values.

Specific criteria evaluated in the "Brand Meaning" skill set include: market understanding, segmentation and targeting strategy, presence of a focused value proposition, the creative device, use of emotional cues, effective or "threshold" media weight and message continuity and consistency.

Traffic Building

Over the past twenty years, budgets have been increasingly allocated towards promotions and the type of marketing out-reach that directly incentivizes consumers to shop at a particular time and/or a particular retailer. In an economy that is characterized by both "time compression" and "product and service surplus" consumers have an abundance of choices. Marketers have therefore increasingly relied on promotions that impact shopping behavior. Brands and brand imagery sometimes suffers to the extent that more products are promoted via "buy one-get one," rebates, deferred payment plans and other discounting strategies. Too, there is often an overwhelming amount of clutter around certain seasonal periods such as national holidays, Valentine's Day and Christmas.

Nevertheless, traffic building communications and practices are a key skill when selling through either independent, franchised or company owned retailers. We stress the need to create branded promotions that are thematically "on-brand" and appropriate to the brand's target market. We also seek to maximize return on these investments by creating specific targeting strategies that include: seasonal targeting, demographic and psychographic targeting and targeting based on prior product or cross-product usage.

Finally, traffic building also depends on getting the logistics right. Directional messaging, store locators, high traffic and high visibility locations, ample parking and convenient store hours all contribute to effectiveness with traffic building.

In-Store Experience

In-store experiences can vary considerably for a particular brand, and therefore the consumer's relationship with that brand, depending on the "degrees of separation" between brand and retailer. Brands that own their channel and have well trained and well compensated retail associates often fair much better than those selling through independent retailers. Independent retailers obviously have different goals and usually feature competitive products and even their own private labels.

The boom in "big box" retailing in many categories has also changed the landscape and in many cases detracts from the consumer's experience with a particular brand. Retail associates tend to be more transient and less capable of relating product performance or differentiation due in part to the fact that there are simply too many products with which they must be familiar. The dominance of Wal-Mart in many areas and in an ever-increasing number of categories is probably the greatest manifestation of this trend.

Finally, due to the pressure faced in the retail industry (again, often led by Wal-Mart), store organization and merchandising standards are often a "hit or miss" scenario. Retailers are increasingly relying on a strong, "category manager" or brand leader to maintain merchandising standards in a particular category.

To the extent the manufacturer has control, there are opportunities for profitable collaboration. And, there are always opportunities for the brand to become more selective about retail classes of trade and about the choice of specific retailers. The key factors here include: parking, customer flow management, store design and maintenance, enhancing sensory experiences, customer greetings, product line freshening and point-of-sale incentives.

A couple of these deserve specific elaboration. We have found that brands can enhance their in-store experience by appealing directly to each of the five senses. We use this as a virtual checklist that goes beyond simply messaging or satisfying the left-brain, rational side of the purchase equation. Instead, we seek to engage as many of the senses as possible in the evaluation. Site, sound, smell, taste and tactile feel. We ask: in what ways can point-of-sale tactics increase sensory engagement?

Finally, the presence of the right purchase incentive is a critical part of the in-store experience. To the extent it can be "on-brand" and not generic, we believe more long-term traction is gained. For example: buy one-get one is not on-brand; it is generic. A Starbucks thermal mug with 10% off for a year is on-brand.

Post Sale Relationship

Long-term relationships are more profitable than short-term transactions. So, everything that precedes this skill should place long-term interest ahead of short-term gain. Creating traction depends on avoiding slippage at each step. You sell a bad product (or experience) once. In today's social media environment, the consequences for disappointing a consumer are significantly multiplied, e.g. twitter. Conversely, marketers who have mastered the four skill areas are likely to gain considerable traction from the social media platforms as satisfied customers become brand advocates and become virtual marketing partners.

Three disciplines tend to define a marketers capabilities in the post-sale environment which we refer to as the "thank-ask-enable" spectrum. In other words, brands, in collaboration with their retailers need to thank the customer for the purchase. This can and should be done during and after the sale. And it can be done more than once after the sale. Marketers should ask for information about the product's performance, usage and fit within the consumer lifestyle or usage patterns. This can and should be done on a personal basis and on a systematic basis via tools such as the net promoter score. Finally, brands should enable consumers to advocate for the brand. Think: wine-tasting parties, clothing trunk sales or the friends and family cellular plan.

candescence is a growth strategy firm focused on brand strategy development, marketing ideation, market research and brand campaign activation and supervision. The firm works in the corporate and not-for-profit sectors and boasts a suite of proven strategy development techniques that are efficient, collaborative and that yield actionable strategies. candescence was started in 2004, is based in Charlotte, North Carolina and is owned by its founder, Bob Davies. More information is available at candescence-strategy.com (main site) or candescence.typepad.com (blog site).