Shopper Insights and technology – a review of the strengths and weaknesses of technology and its alternatives or….
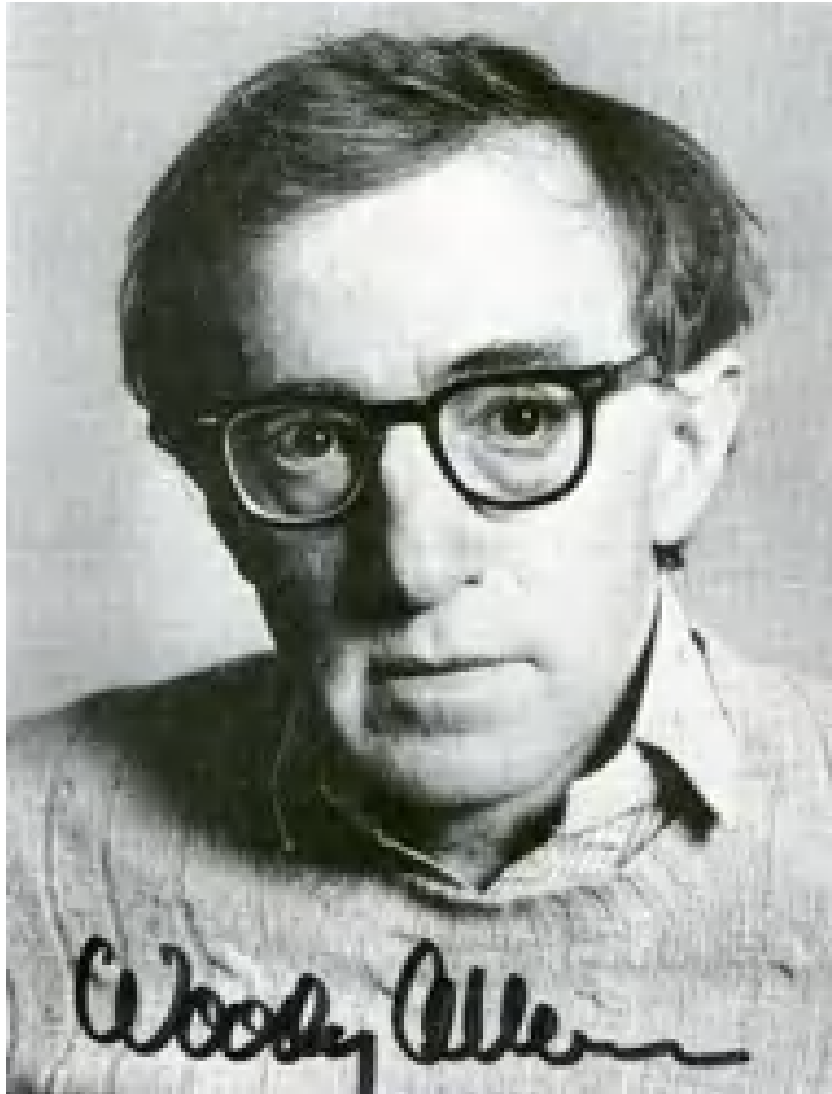
Gill Aitchison – 26th Feb 2009

"*All you wanted to know about technology in Shopper Research but were afraid to ask*"

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Shopper Insights and the use of technology

- **What are Shopper Insights?**

  - "An insight into the way shoppers think and behave which can be used to optimise the in-store environment" (Multi-national client)

  - Shopper Insight is the strongest point of emotional leverage to connect our product & our brand with the retailer & the category.

- **Why are they needed?**

  - Because the final decision of what to buy is frequently made in store or at the point of purchase and often not rationally based

  - All the marketing efforts prior to the purchase can be wasted if the in store environment fails to capture the shopper at the POP

  - In American football terms….

"The Last Ten Yards" – what does it mean?

Your efforts in the game are wasted if you don't make the last push to touchdown

Understand the *purchasing process*

Influence decisions made in store

Make it easy for them to make their purchase

Get your product in their basket

Maximise sales for both Retailer and Manufacturer

Have a happy, satisfied shopper who will come back for more!

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- **The Ipsos Shopper philosophy**

- **The various technologies available**

  - Pros and Cons of each

  - Examples of the technology in action

- **What makes a Shopper Insight really valuable?**

  - Measure what you can change

- **What's next?**

  - Neuro science, MRI scans etc

- **Where are the real wins for Shopper research?**

Our philosophy: shoppers' journey

Three stages to the journey :

PRE SHOPPING MINDSET	POP EXPERIENCE	END USE
Macro trends, Shopper Segmentation, Missions and Relationship with Category	*What* is happening there, *how* it is happening and *why*. How can we use this findings?	Understanding *who is the end user* and how the product will be used affects its shopping

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Measure What you can Change – the 10 W's

		WHAT IS MEASURED	HOW IS IT MEASURED?	WHAT CAN BE CHANGED BY MANUFACTURER / RETAILER AS A RESULT ?
PRE SHOP MINDSET	**WHO**	DEMOGRAPHICS	RECORD	
		ATTITUDES& BEHAVIOUR	QUESTION	RANGE
	WHY SHOPPING TODAY	MISSION	QUESTION	RANGE, PRICE, PROMOTION BY STORE FORMAT
	WHICH STORE SELECTED	REASONS FOR CHOICE	QUESTION	APPROPRIATE RANGE BY STORE FORMAT/PROMOS
IN-STORE	**WHO WITH**	PESTER POWER	OBSERVE & QUESTION	CATEGORY LOCATION IN STORE, IN STORE STIMULUS
	WHAT NOTICED	ATTENTION/INTERACTION	OBSERVE & QUESTION	PACK STAND OUT, IN STORE COMMS
	WHAT INFLUENCED	IN STORE COMMS	OBSERVE & QUESTION	LINK TO BRAND PROMISE, EFFECTIVE COMMS
	WHICH SKUS CHOSEN	PURCHASE DECISION TREE	OBSERVE & QUESTION	FIXTURE LAYOUT IN LINE WITH SHOPPER DESIRES
	WHY	IMPULSE	OBSERVE & QUESTION	BREAK HABIT, IN STORE COMMS, PRODUCT PLACEMENT IN STORE AND PROMOTIONS
		ROLE OF EMOTION IN CHOICE	OBSERVE & QUESTION	LINK TO BRAND AND RETAILER
END USE				
	WHO FOR	GIFT,	QUESTION	RANGE FOR RELEVANT NEEDS
	WHAT NEED SATISFY	WHENTO BE USED/CONSUMED	QUESTION	RANGE , PRICE POINTS

So where does technology fit in Shopper Research ?

- Today's technology is about method:
    - <u>Observing</u> the unconscious behaviour, through videos or eye cameras
    - Allowing for more <u>continuous observation</u>
    - Decreasing <u>human error</u>
    - <u>Simulating</u> purchasing in a virtual environment
    - <u>Pinpointing</u> where the eye scans or settles

- All these are clearly producing better results to describe what happens in-store

- However, understanding "what happens" without the "why" may not provide shopper insights

"It is only the shopper herself who can tell you about all the influences they have personally experienced"

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Focus on technology – a range of data collection techniques

- We briefly review the range of technology that is currently available

- What is involved in each

- The pros and cons of each approach in our opinion

  - Eye camera – field of vision glasses

  - Eye camera glasses with eye tracking

  - Fixed Eye camera VR machine

  - Videoing in store & video mining

  - Path tracking around store RFID/GPS

  - Retail Labs

  - Virtual Reality

Field of Vision – what the shopper sees….

Field of Vision Eye camera glasses

Available from Ipsos KMG

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Focus on technology – Eye camera (Field of Vision) glasses in store

HOW DONE	WHAT USED FOR
■ Shopper wears special spectacles ■ Film records field of vision and sound ■ Film replayed and qualitative interview	■ Observing the entire shop or a specific category shop in a real store/retail lab ■ Noting response to in-store stimuli ■ Analysing length of time at fixture ■ Noting what picked up, touched, bought or not bought
PROS ■ Real store environment ■ Detailed follow up ■ More natural than accompanied shop ■ Recorded footage aids dissemination	**CONS** ■ Shoppers may feel conspicuous ■ Retailer permission required ■ For quant testing, there is no software that can automatically produce outputs – therefore expensive to analyse

Available at Ipsos in some markets

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Eye camera glasses fitted with eye tracking

Eye camera glasses fitted with eye tracking

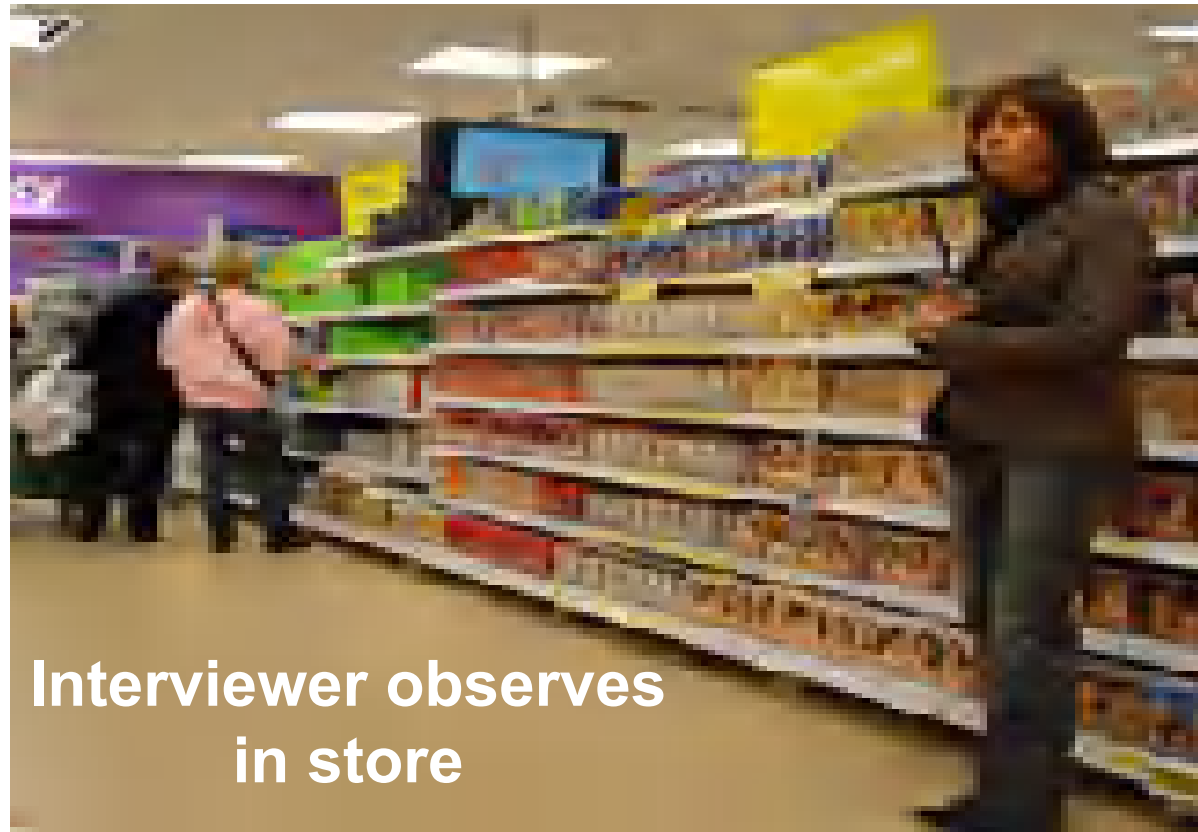| HOW DONE	WHAT USED FOR
■ Shopper wears dual camera glasses ■ Follow up Qualitative interview after merging video tape or: ■ Quantitative analysis of videos based on small time segment coding	■ Observing the entire shop or a specific category **down to SKU level** ■ Noting response to in-store stimuli ■ Analysing length of time at fixture ■ Noting what picked up, touched, bought or not bought
PROS	**CONS**
■ Tracks precisely what was seen either consciously or sub-consciously ■ Detailed follow up possible on "why" respondent looked at the particular items, pos material etc in a qual or quant context ■ Recorded footage aids dissemination	■ Shoppers may feel very conspicuous Retailer permission required ■ Merging in real time is slow and must be done away from store ■ Unwieldy analysis makes it more suitable as a qualitative tool ■ Expensive per respondent

Available via technology partners

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What does the output look like?

- ■ Time spent fixed on specific SKUs can be noted

Innovation in Research Conference - Istanbul
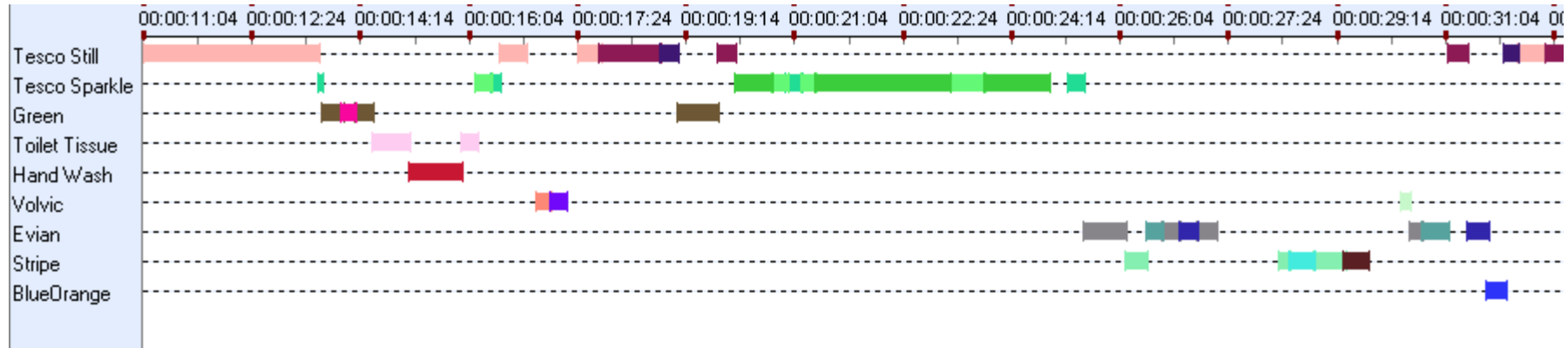
The lower cost alternative

■ Well positioned interviewers can both observe and record, against specific criteria, what the shoppers notice – more importantly, they can intercept and ask "why"

Interviewer observes in store

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Focus on technology – Video footage in store

HOW DONE	**WHAT USED FOR**
■ Continuous videoing of shopper activity in-store (at fixture/in aisle) ■ Fixed video cameras are installed in real supermarkets/shops ■ Film is analysed to understand patterns of behaviour	■ Observing entire shop in real store ■ Noting response to in-store stimuli ■ Analysing length of time at fixture ■ Noting what picked up, touched, bought or not bought
PROS	**CONS**
■ Naturalistic ■ Real not reported behaviour	■ Requires Retailer permission & high set up costs & time limits number of stores used ■ Not possible in all countries through data protection issues ■ Extensive data analysis requirements requires manual coding

Available via technology partners

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Analysing the video footage

- Video Coding – manual analysis of every 0.1 seconds

- Video mining – automated but requires special video set up and can be expensive

Focus on technology – Fixed Eye camera very high resolution screen

HOW DONE	**WHAT USED FOR**
■ Respondent recruited in Central Location to take part in on-line interview viewing high resolution screen ■ Camera within screen is calibrated to respondents eyes and tracks all movement	■ Tracking eye movement o[n] an advertisement, shelf display or website to see what noticed – as a diagnostic tool ■ Can be used for pack testing, fixture layouts, print ads etc. Integral part of *Pack Evolution (Ipsos pack testing tool)*
PROS	**CONS**
■ No Retailer permission required ■ Tracks precisely what was noticed either consciously or sub-consciously ■ Automated software provides cost effective outputs and norms collected ■ Confidentiality	■ It is just one diagnostic tool and needs to be supplemented by other more traditional research approaches to explain why

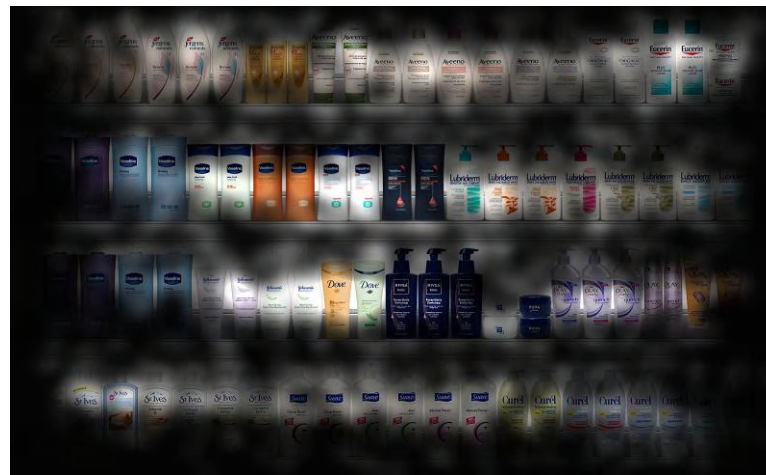**Available via technology partners in most markets**

Pack Evolution/Eye Tracking

Ipsos can run Eye Tracking Projects anywhere in the world

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Compare two fixture layouts for a specific brand change

**Available at Ipsos globally via our technology partners**

RFID/GPS devices to track path around store

HOW DONE	WHAT USED FOR
■ GPS or RFID devices can either be worn (on badge) or attached to a shopping cart/trolley in order to track pathways around a store	■ Can measure which parts of the store most likely to be visited – to provide hot and cold spots of a store layout ■ Identifies which gondola ends passed etc
PROS	**CONS**
■ Does not interfere with shopping trip although respondents have to be pre-recruited	■ Does not allow examination of close detail unless completed by other devices (e.g. eye camera glasses) ■ Requires in store permission ■ Only gives outline view of shopping trip therefore more useful for retailers than manufacturers

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e.g. What percentage of people pass a particular fixture and what is the level of conversion to purchase?

Legend:
- 10
- 6.75
- 5.50
- 4.25
- 1.75
- 0
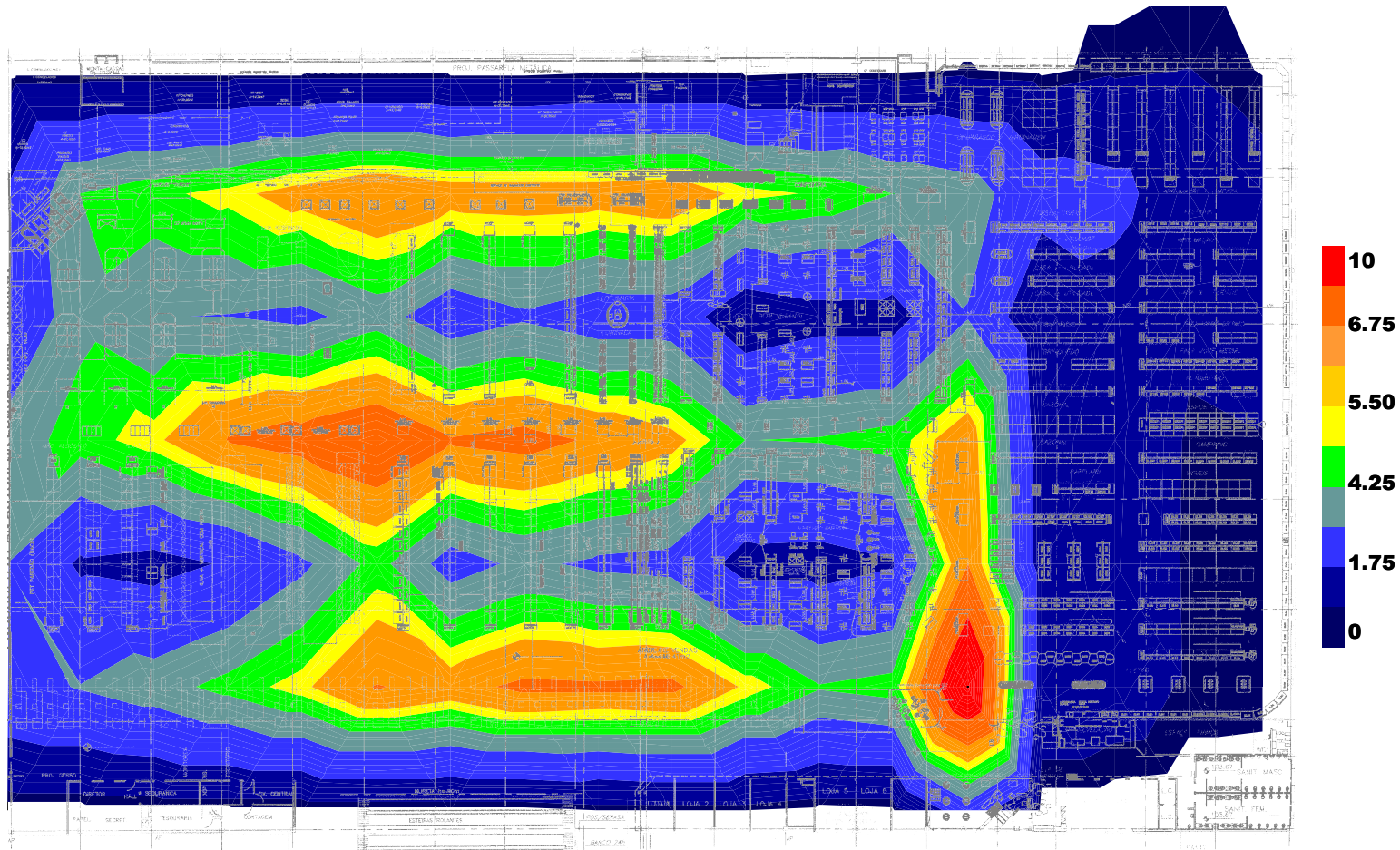
Virtual environment – large screen, cinema style experience

Kimberly Clark

PROS

■ Appeals to Retailers, used more for PR purposes than research

■ Faster testing of new products

■ Allows alternative fixtures to be tested

CONS

■ Very expensive to set up all the shelves/SKU libraries by Retailer

■ Still a virtual environment therefore may not reflect reality

■ Same negatives as for other VR

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Focus on technology – Virtual Reality

HOW DONE	WHAT USED FOR
■ Respondent recruited to "shop" a virtual store on screen – usually asked to navigate using a mouse or joystick around a store and stop when they want to buy something. They can pick up, rotate , enlarge and put items in cart	■ Compare alternative fixture layouts ■ Collect decision hierarchy ■ Measure responses to different in store media ■ Measure impact of new pack on shelf
PROS	**CONS**
■ Requires no Retailer permission ■ A controlled environment enabling comparisons of different fixture layouts ■ Confidentiality for testing new pos material or new products ■ Does not require real product on shelf	■ Some (older) respondents have difficulty navigating store ■ Reality vs a real store or Shopper Lab ■ Some virtual reality involves wearing 3D glasses – which gives good visuals but can make some people feel giddy

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Virtual Reality

Focus on technology – Retail Lab

| HOW DONE	WHAT USED FOR
■ A mock shop close to busy shopping area ■ Fully laid out as a small supermarket/mini market using real shelves ■ Flexible layout	■ To simulate alternative fixture layouts ■ Collect decision hierarchy information ■ Measure responses to different in store media ■ Measure impact of new pack on shelf
PROS	**CONS**
■ Requires no Retailer permission ■ A controlled environment enabling comparisons of different fixture layouts ■ Confidentiality for testing new pos material or new products ■ Can you early mock up products as product not removed from store	■ Shopper not on a real shopping trip ■ Single venue could lead to wear-out over time ■ High set up costs require pay per use for facility

Available at Ipsos in some markets

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Ipsos UK Shopper Lab
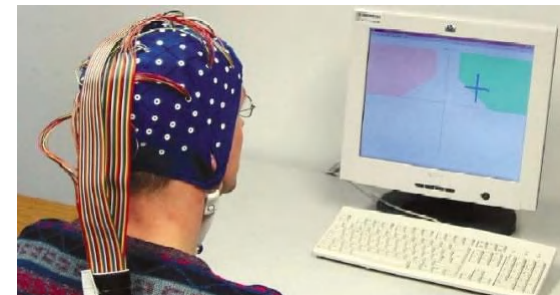

Videoing in store

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What's Next?

- **Tools which monitor brain and body responses**
    - EEG (brain's electrical activity – which party of brain is stimulated)
    - Skin moisture
    - Heart rate
    - Eye blinks
    - Body temperature
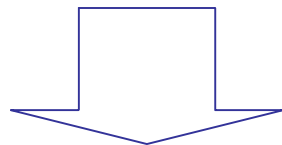
Measure emotion, engagement, physiological responses

So what does technology add?

Nobody's Unpredictable

So what does technology add?

- Provides one input into WHAT is happening in store – aids in observing behaviour where Retailer access is possible

- Can provide continuous data in a store

- Can provide eye tracking to illustrate what gets noticed – often sub-consciously, by shoppers

- Can be used to remind people what they did in order to probe reasons why

- How do you turn these into **Shopper Insights**?

    - By incorporating appropriate technology with surveys to understand the reasons why people are responding as they do

    - By interpreting the data against the context of what can be changed

    - By using video footage to illustrate typical behaviour to manufacturers and retailers

Technology can play a part in Observation at POP

		WHAT IS MEASURED	HOW IS IT MEASURED?	WHAT CAN BE CHANGED BY MANUFACTURER / RETAILER AS A RESULT ?
PRE SHOP MINDSET	**WHO**	DEMOGRAPHICS	RECORD	
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	WHAT NEED SATISFY	WHENTO BE USED/CONSUMED	QUESTION	RANGE , PRICE POINTS

- How will knowing this information allow me to sell more of my brand profitably?

- How can I use this data to explain to the Retailer how to make more profit margin from this category?

- Is there a more cost effective means of collecting this information?

- Will the Retailer allow access for videos or the use of eye cameras in store?

- What are the key questions to be answered and is technology the best route?

Measure what you can change

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Conclusions

- Technology is useful to highlight what people observe, unobtrusively

- Link the outputs of the technology with sound advice as to what can be changed

- The best technology in Shopper Research is still very expensive; good to illustrate behaviour rather than to analyse quantitatively

- Video footage can be analysed but will still only be representative of the one or two stores in which the data was collected

- Knowing the time spent at a particular fixture will give data but not explain the reasons why or what to do with it

- Neuro-science is still in a developmental stage and yet to be commercially viable

- Use a workshop to decide on the end use of shopper research before collecting vast quantities of data that you are not sure what to do with!

"The Last Ten Yards" – use technology to help you..

Observe the unconscious shopping behaviour in order to:

Understand the *purchasing process*

Influence decisions made in store

Make it easy for shoppers to make their purchase

Get your product in their basket

Maximise sales for both Retailer and Manufacturer

Have a happy, satisfied shopper who will come back for more!

THANK YOU

President, Ipsos Global Shopper & Retail

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