

Ready to elevate your brand at retail?

SHOPPER MARKETING STRATEGY

A Guide for CPG Brands



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Guide Overview:

This shopper marketing guide and its retail marketing strategies will help CPG brands harness a strategic discipline to engage consumers along their buyer's journey and trigger purchase at key points.

The following actionable tips and strategies for retail have been generated by Cliffedge Marketing, a veteran shopper marketing agency, based on two decades of work for CPG brands, including the research, planning, implementation and reporting of successful shopper marketing programs.

With the US retail industry accounting for \$2.6 trillion in sales (Select USA) and employing 42 million people (Adweek), the reports of retail's death have been greatly exaggerated.

So, with consumerism in full swing and 77% of all consumers using multiple channels to shop (Harvard Business Review) - how is your shopper marketing strategy engaging them?



Shopper Marketing Strategy:
A Guide for CPG Brands

WHAT IS SHOPPER MARKETING?

What is

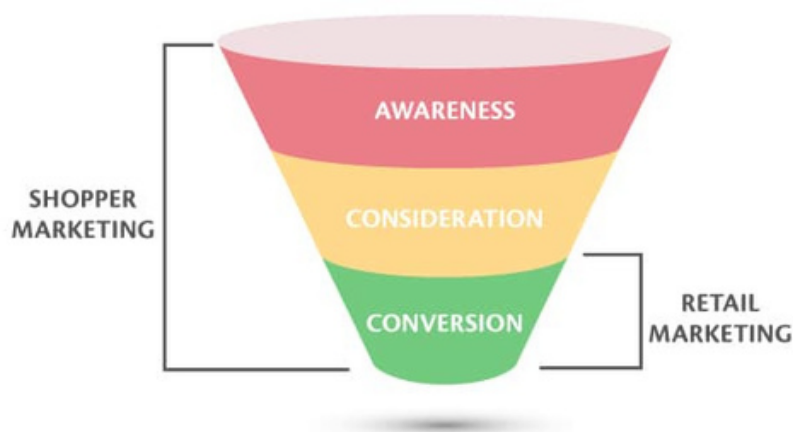
Shopper Marketing?

The best way to define shopper marketing is to understand it in comparison to **retail marketing**.

The two terms are often used interchangeably, and for good reason. Both methodologies seek to motivate consumer purchase at store-level (i.e. generate sales). But by comparing them in the context of something familiar – a sales funnel – we will identify the fundamental difference between the two.

The Definition of Retail Marketing: The process of engaging consumers while they are in-store. Basically, it focuses on the final stage of the buyer's journey.

The Definition of Shopper Marketing: The process of engaging consumers along their entire path-to-purchase. It focuses on the buyer's journey, from awareness to consideration to conversion.



About this Shopper Marketing **Strategy Guide**

Within this guide, we explore shopper marketing through the lens of a B2C sales funnel, providing content primarily relevant for Consumer Packaged Goods (CPG) brands partnering with retailers and operating in the grocery industry.

Our goal is to equip CPG brands and trade marketers with the knowledge to create an effective shopper marketing strategy designed to grow their business at retail.

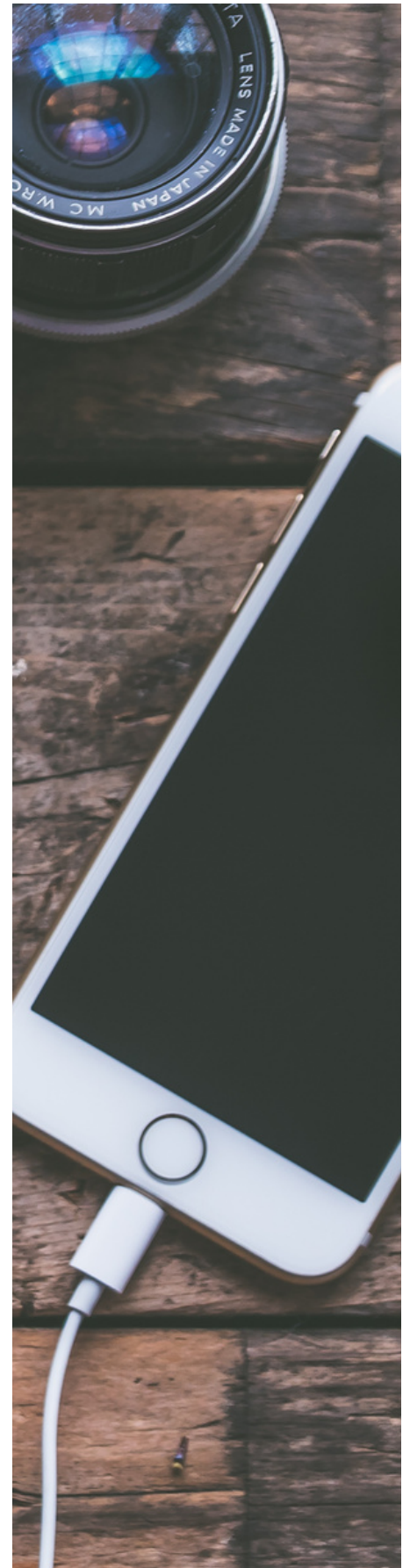


As you read, it's important to keep in mind just how much the retail industry has evolved and consumer behavior has become more complex in recent years.

Long-term trends such as the transition to digital and online shopping have been accelerated, partly driven by the pandemic. The changes we expected to happen gradually over the next few years occurred more rapidly, forcing retailers and brands to rethink their approach.

For CPG brands, these shifts in consumer behavior have presented two primary challenges:

- (1) Fragmented Buyers' Journey**
- (2) Decreased Customer Loyalty**



Two Primary Challenges of **Shopper Marketing**

1. Fragmented Buyers' Journey

Consumer attention is the number one goal for many brands, however it's become increasingly difficult to obtain. Today's shoppers are more connected and face more options than ever before. With smartphones in hand, **people can shop anywhere, anytime, across numerous shoppable touchpoints**. According to a June 2023 Global Consumer Insights Pulse Survey of 8,975 consumers, consumer behavior has become highly fragmented across various channels with 63% of buyers saying they've purchased products directly from a brand's website.

2. Decreased Brand Loyalty

The pandemic and subsequent economic fallout have made consumers more cost-conscious and less brand loyal. Consumers now prioritize value for their money, particularly in essential categories, and are willing to shop around until they find the best pricing. 54% of consumers use search engines to research a product and compare with competitors before buying ([Global Consumer Insights](#)).

What does all this mean for CPG brands?

Despite the challenges posed by the evolving consumer landscape, there are opportunities to be explored:

1. Creating Value for Consumers in New Ways

Brands must find innovative ways to create value for consumers beyond traditional approaches. This could involve offering personalized experiences, tailored recommendations or aligning themselves with their target audience's values.

For example, sustainability and green consumerism is becoming a more influential selling point for shoppers. Over half of internet users (53%) say they would purchase a brand less frequently if they discovered that a brand or store wasn't operating sustainably ([Business Wire](#)).

In today's shopper marketing landscape, this demonstrates importance for brands to adapt and deliver meaningful value propositions.

2. Utilizing Data for Targeted and Personalized Marketing

Data has become a crucial asset for brands looking to optimize their marketing strategies. By leveraging customer data, brands can tailor their messaging, offers and experiences to individual preferences, increasing the likelihood of engagement and conversion.

Personalized marketing can help cut through the noise and build stronger connections with consumers. According to a 2021 McKinsey report, 76% of consumers say they're more likely to purchase from brands that personalize their shopping experience.

Many CPG brands employ techniques such as product quizzes and surveys to tailor the shopping experience to individual preferences. For instance, BarkBox effectively utilizes personalized questions like "What's your dog's name?" "How big is your dog?" and "How old is your dog?" to gather valuable insights about their customers' requirements and provide tailored recommendations accordingly.

Data-powered personalization is no longer just a nice feature, it's a necessity for brand success.

3. Embracing New and Emerging Platforms

To connect with shoppers effectively, brands should embrace new and emerging platforms that align with changing consumer behavior.

This could include leveraging social media influencers, exploring e-commerce marketplaces or utilizing emerging technologies like augmented reality (AR) and virtual reality (VR).

These technologies help consumers understand the product and how it will fit their needs. One common application of AR technology is the use of virtual fitting rooms. Warby Parker's customers can use AR to try on glasses from the comfort of their home to pick out their favorite frames.

By staying at the forefront of technological advancements, brands can capture attention and engage with consumers in innovative ways.

By recognizing the challenges and seizing these opportunities, brands can adapt their shopper marketing strategies to navigate the evolving retail landscape and meet the changing expectations of consumers.



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RELEVANCE AT RETAIL

Relevance at Retail

How does shopper marketing enable growth? **The short answer is competitive advantage.**

For you visual learners, consider this recent photo featuring the barbecue aisle at a local St. Louis grocery store.



A couple things to point out:

- This is about 2/3 of the entire barbecue sauce aisle
- There are 20+ sauce brands and around 60-70 SKUs
- The eye-level shelf space (highlighted) is a store brand

From a retail marketing standpoint, most of these brands lack a clear competitive advantage. **In the eyes of the consumer, those bottles are basically all the same.**

Let's compare value using

The 4 Ps of Traditional Marketing:

Product:

Each of the sauces have similar bottles, labels, ingredients, and brand messaging.

Price:

The private label brand has the best price point across the board.

Promotion:

Of the 45 SKUs shown, 36 of them are running a price promotion (yellow tags).

Place:

Sweet Baby Ray's and the private label brand dominate the space.

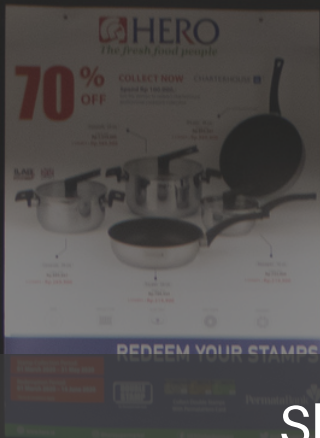


In other words, **only two of the 20+ brands clearly stand apart at shelf-level.** The remaining 18 look the same, are priced the same, run the same promotions, and occupy the same space



Here's the point:

CPG brands must look beyond the four walls of retail to gain a competitive edge. This is especially true for smaller brands that cannot compete against private label pricing or national brand notoriety. And now more than ever, smaller brands must reassess their strategy as consumers are increasingly shifting to private label brands in the wake of the pandemic.



Shopper Marketing Strategy: A Guide for CPG Brands

DEVELOPING THE STRATEGY



How to Create a Shopper Marketing Strategy

Gaining a competitive edge means understanding and engaging consumers at key points along their path-to-purchase.

While the approach may vary for different categories in retail, the focus should remain the same: **create value that will resonate with your target customer.**

Shopper marketing strategy is an essential component of any successful marketing plan for consumer packaged goods (CPG) brands. This approach involves targeting shoppers at key points along the path to purchase through effective campaigns, promotions, and product displays. By understanding the behavior and preferences of their target consumers, CPG brands can create a shopper marketing strategy that resonates with shoppers and ultimately drives sales.

7 Core Elements of a Shopper Marketing Campaign

When it comes to developing a successful shopper marketing campaign, there are typically seven core elements that form its foundation. **It's important to note that these elements work together synergistically to establish relevance with consumers**, ensuring the campaign's effectiveness.

1. POSITIONING
2. DIGITAL EXPERIENCE
3. CONTENT MARKETING
4. CONSUMER PROMOTIONS
5. POP DISPLAYS & MERCHANDISING
6. PAID MEDIA
7. DATA & ANALYSIS

1 POSITIONING

Positioning is the go-to-market brand message that serves as the central theme and guiding principle for your product(s) or campaign. It influences all aspects of your shopper marketing efforts, providing direction and driving decision-making throughout the campaign.

To achieve successful positioning, **it's crucial to embrace simplicity.** Employ easy-to-understand messaging that can quickly capture attention and effectively communicate the value of your brand or product.



2 DIGITAL EXPERIENCE

Creating a compelling digital experience is crucial in today's buyer's journey, which predominantly takes place online. It is essential to anchor your shopper marketing efforts with a strong digital presence, as consumers often associate a poor-performing website or digital platform with low-quality products or services. Your digital experience encompasses the digital infrastructure and user experience (UX) necessary to support your campaign goals. It typically consists of three primary elements:

I. Tech Stack

Your tech stack forms the foundation of your digital experience and includes various platforms and tools. From website builders like WordPress to store-locator platforms like Destini, these technologies serve as your digital storefront. Just as you would want your physical store to look appealing and be easy to navigate, your online store should provide an attractive and user-friendly interface.

2 DIGITAL EXPERIENCE

II. User Flow

User flow refers to the path consumers take once they engage with or click on your brand. Whether you plan to sell directly on your website, redirect visitors to a third-party eCommerce platform, or offer a "Where to Buy" option, it is essential to make it easy for users to find what they're looking for. Streamline the navigation and ensure that the user flow guides them seamlessly through their journey, from initial interest to making a purchase.

III. Brand Message

To captivate your audience, it's crucial to deliver the brand message they came to see. Avoid the pitfall of flat, unappealing product shots on your website. Instead, bring your products to life by showcasing them in context. Utilize videos or photos that feature your products in action, demonstrating how they enhance or improve associated activities. By aligning the imagery of your products with the desired lifestyle or benefits, you can provide your target audience with a comprehensive understanding of your offerings.

3 CONTENT MARKETING

Content marketing is one of the most effective methods for growing audience engagement, developing brand presence and driving sales. Compared to other forms of marketing, a consistent, high-quality and engaging content strategy can have the most significant impact on audience decision-making. In fact, content creation is the top priority for 80% of marketers ([Hubspot](#)). Incorporating a robust content strategy into your shopper marketing campaign is crucial for demonstrating your brand's value to consumers. You'll know you're creating value when it keeps people coming back!



3 CONTENT MARKETING

To make your content count, there are three important considerations to keep in mind when building your content strategy:

I. Marketing Channels That Fit Your Target Audience

Identify the marketing channels or customer engagement channels that align with your target audience's preferences and behaviors. Different age groups and demographics may gravitate towards specific platforms. For example, young adults may be more active on TikTok or Snapchat, while older adults may prefer Facebook or email.

Use your buyer personas to find the right medium, but don't limit your brand to just one channel. Salesforce believes it takes 6 to 8 touchpoints to generate a viable lead, but don't overextend yourself – quality is always better than quantity!

3 CONTENT MARKETING

II. Adding Value Within Those Marketing Channels

To exceed customer expectations and create brand advocates, always strive to add more value than expected. This value can take various forms, such as helpful content, exciting giveaways, meaningful contributions to causes or exclusive, one-of-a-kind opportunities. Ensure that the added value aligns with the platform you're utilizing. For instance, a video may work better on social media posts compared to an email.

III. Building Points of Interaction Around Purchase

Engaging consumers at different stages of the buyer journey is crucial. Create touchpoints and interactions that align with the pre-purchase, purchase and post-purchase stages. Each stage represents a unique environment and mindset for the buyer. Ensure that your added value message is relevant to the setting and motivates consumer action. This helps nurture relationships and encourages continued engagement.

4 CONSUMER PROMOTIONS

Consumer promotions are the driving force behind any successful shopper marketing campaign. These promotions typically involve digital or physical incentives and offers directed towards consumers to boost sales, increase loyalty and keep them engaged. They are a time-tested and proven method for cutting through the noise and attracting consumers to your brand.

Promotions come in various forms, including:

- Sweepstakes(i.e., Enter-to-win)
- Cause marketing (i.e., We'll donate X to charity for every purchase)
- Price promotions (i.e Buy one, get one free)

Statistics show that 88% of survey respondents in the United States have used coupons for shopping, highlighting the effectiveness of consumer promotions.

4 CONSUMER PROMOTIONS



The key to successful consumer promotions is simplicity. By keeping the message clear and concise, you can capture attention in today's world of distractions. A 2021 study by Microsoft found that the human attention span has dropped to eight seconds – shrinking nearly 25% in the past few years. Since the average attention span is now shorter than ever before, direct and concise messaging is essential.

Whether online or in-store, consumers are inundated with information. Overstimulated and distracted, people often shop with blinders on. Although it may be a hard pill to swallow, **the fact is most shoppers don't care about your brand; they care about how it can benefit their lives.**

5 POP DISPLAYS & MERCHANDISING

When it comes to brick-and-mortar stores, retail displays play a crucial role in capturing shoppers' attention and driving conversions. A comprehensive display program can also help secure distribution with retailers. It gives your sales projections credibility and provides your retailer partners with a solution, demonstrating that you have a plan to move product. However, there are key considerations to keep in mind when developing a display program.



5

POP DISPLAYS & MERCHANDISING

I. Expense

Budget is an important factor, since creating displays to support your products can be costly. You need to account for creative development, production, shipping and in some cases, installation. Consider using evergreen displays that can be used over multiple years to amortize costs.

II. Timing

Because retailers operate based on seasonality (i.e., back-to-school, Memorial Day, etc.), your display program will have to fit within a merchandising cycle that is set by your retailer. Ensure that it aligns with the retailer's schedule to avoid missing your window of opportunity.

5 POP DISPLAYS & MERCHANDISING


III. Retailer Support

Every retailer has its own unique characteristics, whether they are big or small, have different display preferences or adhere to a clean store policy. To ensure the success of your merchandising program, it is crucial to offer multiple options that cater to the specific needs and preferences of your retailer partners. Remember that you are providing a merchandising solution for their specific category. By empowering your buyers with a range of options, you can bring their categories to life and create impactful displays that resonate with their customers.



6 PAID MEDIA

Arguably the most critical element of a shopper marketing campaign is the paid media strategy. Paid media involves paying for placement across various external marketing mediums to target specific audiences and promote your brand or campaign message. It allows you to reach a large, targeted audience quickly and efficiently.



Some valuable paid media options in shopper marketing include social media advertising, influencer marketing, and retail media.

6 PAID MEDIA

I. Social media

Recently, social media overtook paid search as an advertising channel, growing 25% YoY and exceeding \$137 billion (just edging out search's \$135 billion). It offers visual appeal that's well suited for CPG brands. Social media advertising is also affordable compared to other digital ad options, allowing you to meet your target audience where they spend a significant amount of their online time.



6 PAID MEDIA

II. Influencer marketing

As a subset of paid social media, influencer marketing is another great way to meet your consumers where they are online. In fact, in 2022, the influencer market in the U.S. was valued at a record 16.4 billion with 72% of Gen Z and Millennials following influencers on social media.

By partnering with someone who has an established following, they can use the trust and authenticity they have built with their followers to endorse your brand, in turn increasing your audience and exposure. Influencer marketing also boasts some pretty good conversion rates especially among the younger generations. 50% of Millennials trust product recommendations from influencers and 33% of Gen Z-ers have purchased a product based on an influencer's recommendation in the past three months.

6 PAID MEDIA

III. Retail Media

Retail media has evolved from search advertising and sponsored products into a comprehensive range of advertising options owned or centered around retailers. It encompasses display ads, in-store video, consumer emails, digital coupons and more.

Our forecast predicts that the retail media market will reach \$45 billion this year and is expected to grow by approximately \$10 billion by 2024. Grocery and grocery ecommerce are at the forefront of the future of retail media.

According to Lipsman, all of the top 13 retail media networks used by brands, as identified in a survey by the Association of National Advertisers, focus on selling groceries and/or consumer packaged goods.

6 PAID MEDIA

III. Retail Media (cont.)

There are two significant advantages to leveraging retail media compared to other media buying options. Firstly, retail media enables advertising at the point of purchase. Whether it's displaying ads when a consumer enters the store, showcasing your brand message on digital screens or offering digital coupons that can be added to their cart with a simple tap, retail media ensures your brand remains top of mind when consumers are making their purchasing decisions.

Secondly, retail media provides access to valuable consumer data. While most digital advertising options allow targeting by demographics, retail media goes a step further. Depending on the partner, you can build audiences based on various factors such as purchase history, brand affinities, location history, and more. This level of targeting empowers you to allocate your advertising budget more effectively, reaching the most relevant audience for your brand.

7 DATA & ANALYSIS

Finally, what good is a well-executed shopper marketing strategy without the proper reporting and insights to back it up? Thoroughly measuring your shopper marketing efforts allows you to evaluate performance, tie marketing dollars to results and refine your approach for future campaigns. Smart brands comb through the data to see if they've met the key performance indicators agreed upon at the start of each campaign.

In the end, reporting and insights from that data are what drive (and prove) your brand's shopper marketing success. Ultimately with so much info available to your brand, you can refine your approach and optimize the next step of the sales funnel based on your data-driven decisions.

Plus, insights around the customer journey help you design more meaningful, personalized experiences for your consumers.

7 DATA & ANALYSIS

I. Use the Scientific Method

You can collect important marketing data using the Scientific Method. **Treat campaigns as experiments.**

Treating marketing as an experiment reveals the key factors affecting your performance, allowing you to tweak your approach and improve your metrics. A good marketing experiment involves minimal variables, includes a control group and sets clear KPIs and benchmarks before campaign activation. Always aim to gather quantitative data – measurable results that help you set goals for your next campaign.



7 DATA & ANALYSIS

II. Analyze the Results

A Wharton School of the University of Pennsylvania study found that 57% of marketers misinterpret data – likely drawing inaccurate conclusions and steering marketing campaigns in the wrong direction. Once you’ve run your campaign, you must evaluate, consolidate and share your collected data in comprehensive reports. Reporting can help you understand shopper behavior and how your campaign fits into the bigger marketing picture.

III. Modify Your Approach

Even if your campaign was successful and drove excellent sales or increased web traffic, always consider how you can improve or replicate the results in other campaigns. Keep a record of what works and what doesn’t, and make the data accessible for everyone in your marketing team to use.

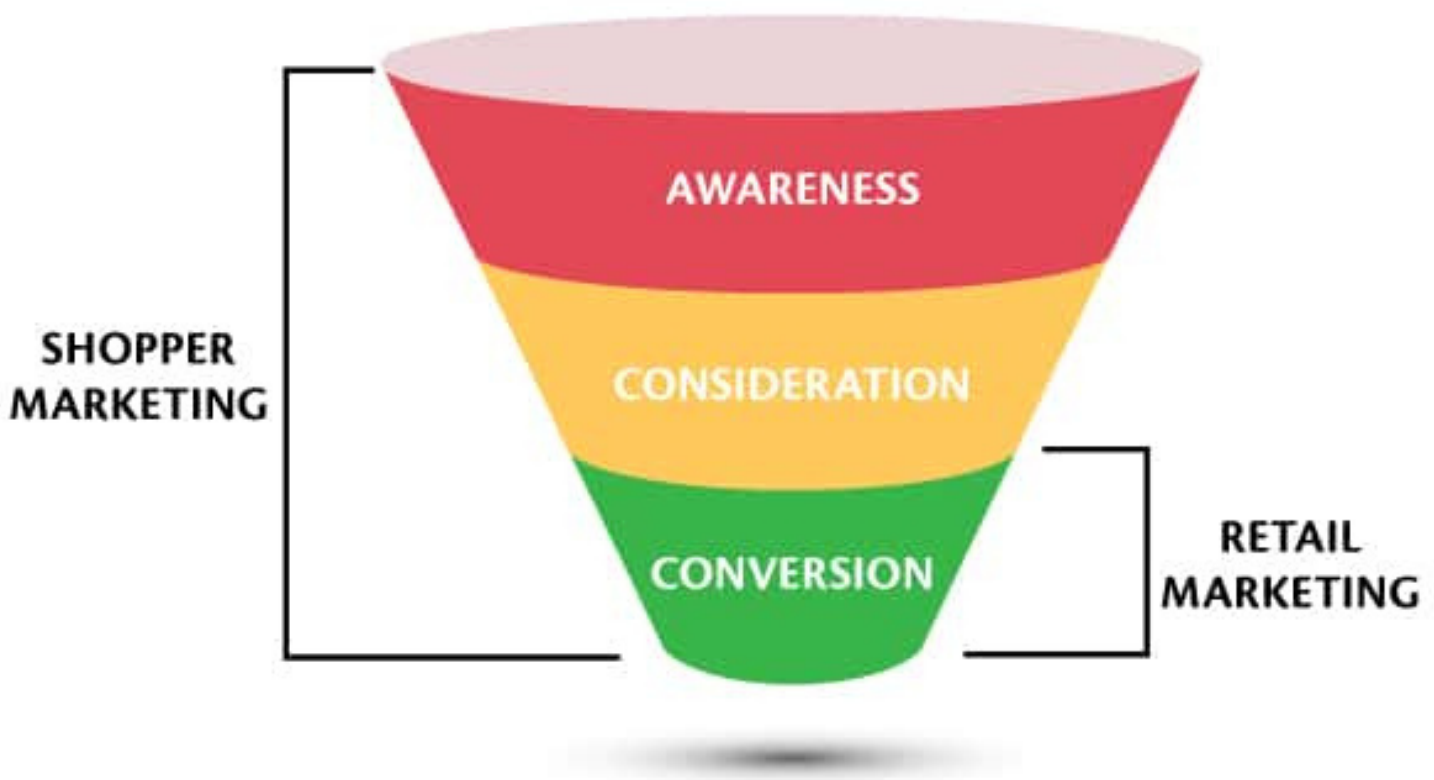
A woman with long dark hair, wearing a brown knit beanie with a pom-pom and a dark jacket, is in a grocery store. She is holding a bottle of wine and looking at the label. In the background, there are shelves stocked with more wine bottles. The image has a warm, slightly blurred aesthetic.

Shopper Marketing Strategy:
A Guide for CPG Brands

3 KEY POINTS OF
CONSUMER
ENGAGEMENT

3 Key Points of **Consumer Engagement**

Since most shopper marketing takes place online, the process can feel cumbersome and overwhelming. Getting wrapped up in the fine-tuning of your online presence can easily distract you from your goals. We suggest distilling the process into **3 easy-to-understand touchpoints across the buyer's journey.**



Awareness

Ensure your target audience knows who you are and where your products are sold. **Visibility today means strategic ad placement paired with compelling creative.** Developing an effective awareness campaign that truly resonates with your target audience is a delicate blend of art and science, and it relies heavily on consumer data.

Focus your dollars in target markets and around target retailers. Create ads that support your physical footprint, use data to personalize your message, keep sharing content that drives website traffic and conversions and migrate those qualified leads into your CRM database.

In today's fragmented path to purchase, where numerous shoppable touchpoints exist, it becomes challenging to predict ad performance without the support of data and analytics. That's why **it's crucial to cast a wide net and explore different media channels and platforms**, such as social media and retail media. By testing various creative elements, messaging variations, and media platforms, and carefully measuring their impact, you can gather valuable insights. This data-driven retail marketing approach allows you to refine your approach and maximize the impact of your awareness campaign.

Consideration

While conversion is the goal, the consideration phase is where you identify your value proposition. **This part of the process is arguably the most important** as it gives your consumers a reason to keep coming back.

Authenticity matters. Across your entire footprint, focus on the consumer as a human being, not just a transaction. Salesforce reports that 64% of shoppers say they feel retailers don't truly know them. The brand who can step in and connect authentically reaps the lion's share of the market.



Visuals matter. As the old adage goes, shoppers eat with their eyes. Would you buy a product off the shelf that was dented or had a torn label? The same principle applies with your content online. More so if it has their name on it. Salesforce's study shows that 88% of retail and consumer goods marketers found personalization improved their overall marketing program.



The benefit matters. Remember, you're selling to real people who want real solutions. Useful content resonates with consumer interests when it provides answers to their questions. For CPGs, that can mean learning how to use the product in recipes or aligning with a charity.

Conversion

“All roads lead to Rome” is an old expression that means all choices, methods, or actions eventually lead to the same result. You can think of the conversion stage in the same way - **everything you do should funnel consumers to a point-of-purchase.**

Conversion primarily means 3 things:

1

Simplicity: Make it easy for consumers to purchase everywhere you engage them. On your website for instance, that means clear, user-friendly navigation. It should only take 1 or 2 clicks to purchase.



2

Incentives: Winning shoppers at the moment of buy often comes down to price. As mentioned, today's consumers are more cost-conscious and less brand loyal than ever before. Make sure to anchor your marketing efforts with a price promotion, like a coupon or rebate, and give shoppers one more reason to buy.

3

Customer service: Offer an exceptional experience through the sale and beyond. This may come as no surprise, but the service offered (or lack thereof) can make or break your brand. Make your experience extraordinary.



Summed Up

7 Core Elements of Shopper Marketing:

1. Positioning
2. Digital Experience
3. Content Marketing
4. Consumer Promotions
5. POP Displays & Merchandising
6. Paid Media
7. Data & Analysis

Engage across every stage of the shopper journey:

- **Awareness** – Stay top of mind in target markets to help get noticed on the shelf.
- **Consideration** – Offer real value to real people that keeps them coming back for more.
- **Conversion** – Offer consistency across simplicity, incentives and customer service.

Whether you're creating a shopper marketing strategy for the first time or looking to refine the process, keep it simple, create an action plan, measure your results and try again. Consider this an investment in the long-term success of your brand!

A NEW Approach to WIN at Retail