Let’s Get Phygital: Experience the future of shopper research

April 9, 2019
Your team on today’s call

<table>
<thead>
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<th>Position</th>
<th>Email</th>
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Let’s get Phygital!

1. Omnichannel Disruption – Thinking differently!
2. Simstore – Taking behavioral insights into action

Twitter: https://twitter.com/Ipsos/status/1115915896705441793
LinkedIn: https://www.linkedin.com/feed/update/urn:li:activity:6521681653063127040
We live in highly disruptive times…

Technology is delivering a brave new world of always on, fluid and connected commerce; this not only changes the way people shop but it also changes their expectations of convenience.
Omnichannel disruption is forcing us all to think differently about Shopper

Our Focus: SIMPLIFY – MODERNIZE – STANDARDIZE
Smarter, more integrated actionable insights to convert today’s omnichannel shoppers

ATTITUDES
at home, in-store and along the way

ACTIONS
physical and digital shopping behavior

ACTIVATION
tactics that build brands through omnichannel retail

Need for faster, higher tech, more cost-effective shopper insights solutions

Holistically mapping PATH TO PURCHASE
Defining OMNICHANNEL STRATEGY
Driving CONVERSION@POS
We need to answer new questions...in new ways

**Holistically mapping PATH TO PURCHASE**

- What is the new shopper P2P – for the category and my brands – by key retailer?
- How do we capitalize on omnichannel behavior?
- How do we convert pre-store brand saliency to drive sales?
- How do we improve ROI across channels, customers, and touchpoints?

**Defining OMNICHANNEL STRATEGY**

- What is the role of my stores, websites, and apps?
- How can we better engage different shopper segments – in stores, webshops and on phones?
- What channel dynamics matter most and why?
- Where is our common ground to profitably grow categories and brands?

**Optimizing CONVERSION @POS**

- What are the optimal tactics for both brick & mortar and digital:
  - Placement in-store, on premise and online?
  - Optimizing product assortment?
  - Promotion tactics and activation testing?
  - Price ranges?
- What tactics can go away?
- How to activate the plan?
Uncovering true behavior requires integrated methodologies

- **Real Life:** Social media, passive metering, footfall tracking
- **Interviews, observations, co-browsing**
- **Mobile missions:** App life and transaction capture
- **Eye tracking, biometrics & neuroscience**
- **Video Engagement**
- **Simulated Experience:** Immersive and online virtual reality

All incorporating behavioral science perspective to better anticipate real world shopping behavior and create more actionable insights.
3 key Insight Solutions that are our focus

**LIFE Path**
Mapping the path to purchase and what specific influences drive decision making

**iDNA Suite**
Understanding the e-Commerce Shopper and developing the right e-Commerce strategy & tactics

**Simstore**
Using VR solutions to test and optimize in-store merchandising and brand activations
Winning at the point of sale
Simstore helps you to understanding and predict regardless of channel

Different technology platforms used depending on business question

- **Shelf view**
  - 2D – environment (HTML5)

- **Store view**
  - 360 - environment

- **e-com view**

Start demo
Password: simstore

Start demo
Password: Ecom_Demo
100 product(s) found for Beverages : Tea

Categories

Beverages

Tea

- English (5)
- Green (20)
- Green (benefit) (1)
- Herbal (29)
- Herbal (Benefit) (9)
- Loose (green) (4)
- Loose (Herbal) (4)
- Loose (Specialty Black) (2)
- Mainstream (Cup) (5)
- Mainstream (Family) (5)
- Matcha (Green) (2)
- Matcha (Green, Powder) (3)
- Specialty Black (20)
- Tea K-Cup Spec Black (9)
- Tea K-Cup Green (2)
- Tea K-Cup Herbal (3)
- Tea K-Cup Iced Black (2)
- Variety (5)
- Soft Drinks
- Energy Drinks
- Juice

Refine by

Brand

Tetley USA Round Iced Tea Blend Family Size, 24-Count Pack

* * * * * 4.7

$14.24
(0.45 / Pounds)

Add to cart

Twinings Earl Grey Tea, Tea Bags, 50-Count Boxes (Pack of 2)

* * * * * 4.7

$30.57
(1.65 / Pound)

Add to cart

Harney & Sons Black Tea, Paris, 50 Tea Bags

* * * * * 4.6

$10.42
(0.22 / Ounce)

Add to cart

Frontier Co-op Organic Chamomile Flowers, German, Whole, 1...
Contrary to popular belief, people are not rational.

We have a plan, we write a list, we visit the store or go online.

And then everything changes...
Change behavior by **changing the context**
Level of involvement and frequency fuel marketing tactics

Important with inspiration

Pilot System two Explicit

Less important with inspiration

Autopilot System one implicit

Level of involvement and frequency fuel marketing tactics

HIGH

Involvement

HIGH

Impulse

LOW

Work with navigation

Work with visibility
Level of involvement and impulse fuel marketing tactics

- **Inspiration and navigation**
  - HIGH Involvement
  - HIGH Impulse

- **Inspiration and disruption**
  - LOW Involvement
  - HIGH Impulse

- **Simplification and navigation**
  - LOW Involvement
  - LOW Impulse

- **Simplification and disruption**
  - HIGH Involvement
  - LOW Impulse
Drive growth of olive oil

Client challenge

1. Which growth potentials do exist for the ‘olive oil’ category?

2. What does the purchase decision process for olive oil look like?

3. How can the diversity of product variants be communicated by means of shelf layout?

4. How can the most important areas of application for olive oil be communicated?
Olive oil in-store
Category Vision
Behavioural based category segmentation matches the category vision.

Olive oil

“Daily use”
- Private label
  - Small bottles
  - Large bottles
  - Bertolli
  - Carbonell

“Special occasions”
- Brand
  - Premium Brand
  - Premium private label
  - Extra V Natural
  - Extra V + additives
Scenario 1: Accomplish trading up

**Inspiration**
Wooden shelves provide more inspiration and focus on the A-brands

**Trading up**
Signing communicates advantage of buying large bottles

VALUE PACK, SAVE MORE THAN 10%
Scenario 2: Increase variety seeking

**Variety**
Signing communicates both hot and cold applications

**Health**
Carbonell neck tags focus on informing the shopper about Omega-3
New shelf lay-out in store +10% category value growth
Drive growth of American whiskeys

Client challenge

1. What is the sales effect of adding POS materials?
2. Which shelf layout leads to highest sales for AW?
3. Which shelf layout best supports navigation / ease of selection?
4. Which shelf layout do shoppers prefer and why?
The winning shelf scenario was tested in-store.
## Real market test
### Current vs New

<table>
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<tr>
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<th>Unit Volume</th>
<th>Frequency</th>
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<td>121</td>
<td>105</td>
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<tr>
<td>Behavioral</td>
<td>121</td>
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## Virtual shelf test
### Current vs New

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Our learnings

**Relevant engagement.**
Shoppers simply don’t have time to reflect in-store.

Therefore **make things easier** and people will spend more!
Use anchoring, priming and categorization.

Address **shopping missions**, **own occasions**, **remove purchase barriers**
and disrupt behaviour to execute winning strategies in-store successfully.

Think in terms of **solutions** because this will help to
increase mental availability.
Thank you!

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