

# THE LIGHTHOUSE EFFECT:

## GUIDING SHOPPERS TO THEIR TREASURE

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Imagine walking into an ocean of choices, where brands, product varieties, and pack sizes vie for your attention. This abundance is not just freedom but an exciting challenge that can occasionally lead to decision fatigue. Yet, for the astute shopper, it is a treasure trove of opportunities to strike the perfect balance of value and desire!

### Unlocking the Shopper's Mind through The Decision Tree

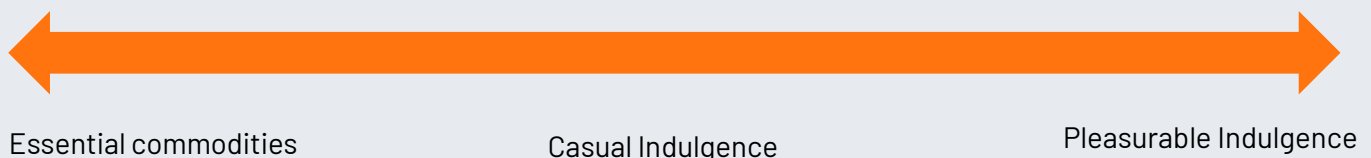
A Decision Tree, commonly referred to as Purchase Decision Hierarchy (PDH), is a roadmap that outlines the product attributes shoppers consider before purchasing a product, helping them find the best choice based on their needs and preferences.

The decision choice variables can be understood by considering the **"Spectrum of Necessity"**. The spectrum can be visualised from essential categories (like feminine hygiene) at one end, to casual

indulgence categories (which are part of our daily lives, but still discretionary spends like packaged beverages, RTE), and through to pleasurable or luxury indulgence categories (like alcoholic beverages) at the other end.

Analysing how shoppers decide what to purchase at the moment-of-truth across this spectrum of categories uncovers some interesting insights:

#### Shopper Purchase Decision Hierarchy Differs across the 'Spectrum of Necessity'



# 1. The Brand Influence Ladder: From Need to Crave

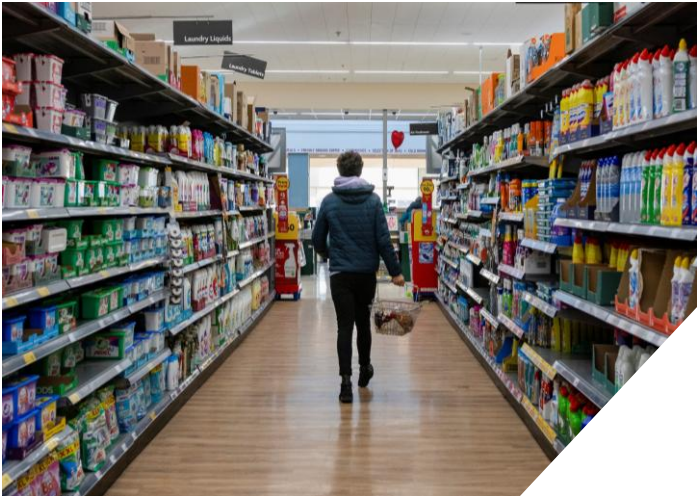
As shoppers transition from buying what they need to what they want, and ultimately to what they crave, the role of the brand shifts from a simple identifier to a powerful driver of choice and loyalty. For essentials, the items that fill our pantries and medicine cabinets, brand importance is relatively lower. These are typically low-involvement purchases, characterised by routine habits. While a familiar brand can save "search time" by providing a sense of reliability, the decision-making process is primarily functional.

As we move into the realm of discretionary spending—items that are not strictly necessary but rather a casual indulgence—the influence of branding begins to take hold. A well-regarded brand name provides a mental shortcut for consumers, assuring them of quality and reliability, thus simplifying a complex choice.

Finally, at the pinnacle of this hierarchy lies the world of indulgence and luxury. In this category, the brand is not just a part of the product; it is often the main event. These are purchases driven by emotion, self-expression, and the desire for a unique experience.

a distinct, demonstrable benefit to win loyalty. Brands need to communicate a clear functional benefit and a Reason to Buy (RTB). The necessity of these products dictates a practical approach, with shoppers prioritising affordability and performance. Hence, brands need to focus on both in-store promotions and functional benefits in their brand messaging.

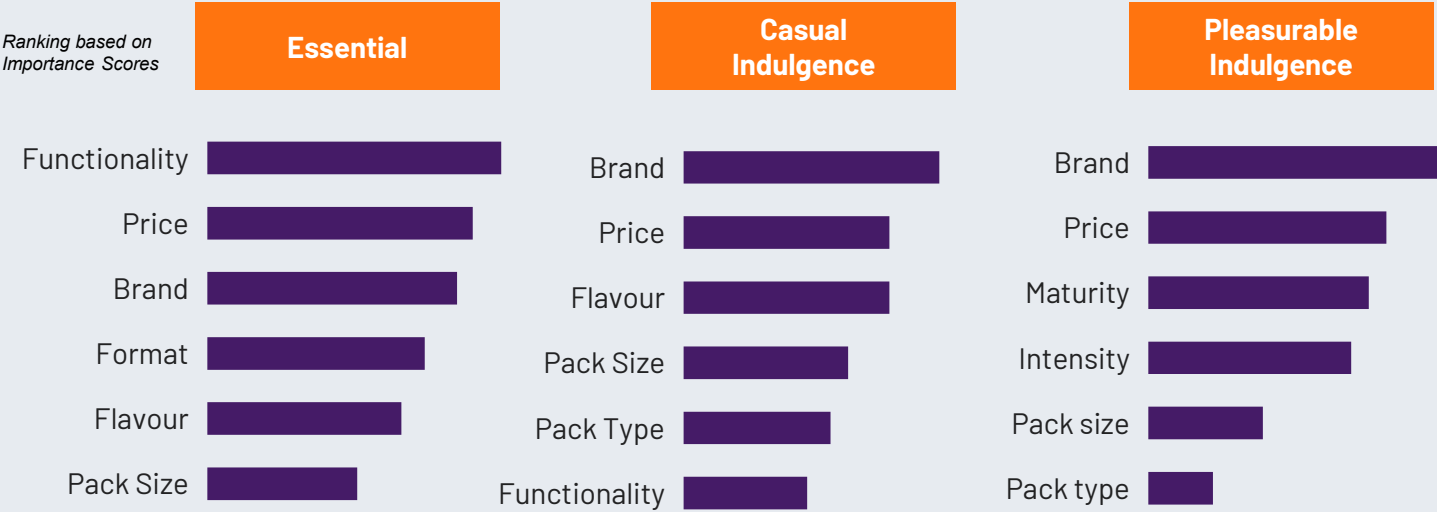
And this message of functional superiority must be consistent everywhere the consumer encounters the brand, from packaging and in-store displays to digital advertising and social media content. This consistency builds a strong association between the brand and its core functional benefit, making it a memorable and trusted choice in a crowded market.



# 2. The Essential Truth

For essential categories, functionality and price are the top drivers of choice. Here, a brand must stand for

Purchase Decision Hierarchy across the ‘Spectrum of Necessity’ (based on Ipsos’ Decision Tree Model)



Source: Ipsos Analysis

Note: Functionality also includes product type, Ranking based on Importance Scores





### 3. Flavour as a compass

For casual indulgence food and beverages, flavour- the indulging parameter- comes into play. The sensory experience that flavour offers can serve as a significant emotional driver, leading consumers to favour products that promise a pleasing experience. This has significant implications for in-store displays- organizing products along flavour lines can make it easier for shoppers to compare and make selections. This could involve creating sections for traditional flavours, exotic flavours, or new releases. Shelf-talkers highlighting flavour varieties or new/seasonal options can help draw attention and provide quick information about what is available, aiding decision-making.

In Modern Trade's expansive, discovery-driven environment, flavour becomes a key differentiator for shoppers, whereas in the curated, need-based setting of General Trade, the reliable availability of core products takes precedence over flavour variety.

### 4. Unpacking Convenience

Pack size and pack type gain importance in casual indulgence categories. In some on-the-go consumption categories, the emphasis on pack size highlights consumers' desire for portability in their

fast-paced lives – the pack itself is the enabler of consumption. Think – a slim can that fits in a car's cup holder, a pocket-sized pack of mints, or a resealable pouch of nuts isn't just convenient; it's what makes consumption possible during a commute, at a desk, or while running errands. Here brands must innovate with portability in mind. This means moving beyond standard formats to create packaging that is lightweight, durable, easy to open, and spill-proof. Market these formats not as a container, but as a core product benefit that says, "We fit into your busy life."

For other categories which may be at home consumption, the packaging type is linked to the consumption occasions, experience and also storage considerations. Here the format will be linked to specific moments: the "solo treat," the "family movie night," the "office snack," or the "party centrepiece." Think – a large, share-size bag of chips for a social, shared experience while a single-serve can is for quick, individual refreshment. Practical aspects like re-sealability for portion control or easy storage are not minor details—they are crucial functional benefits that enhance the overall experience and encourage repeat buys. In a crowded retail environment, the package is your most valuable piece of marketing real estate. Its form and function must communicate its benefits instantly.



## So, what does this mean for brand marketers?

Ipsos recognises that shoppers don't necessarily want fewer choices; they want to feel in control and find what they're looking for easily. The ultimate goal is to cut through the fog of decision fatigue.

For low-involvement, essential goods, the marketing focus should be on ubiquity and recognition. Marketing needs to make the purchase as effortless as possible. Simplify the choice-use clear, eye-catching packaging and in-store promotions to stand out on the shelf. The aim should be to maximise brand recall at the point of purchase. Consistent branding and messaging are more important than creating a deep emotional connection.

For higher-involvement, discretionary products, marketers must provide the information and reassurance consumers need to make a confident choice. The task is to Inform, Reassure, and Build Trust. Build a strong, trustworthy brand – a reputable brand image is a powerful asset.

Keep in mind that for on-the-go consumption categories, packaging innovation can be a key differentiator. Brands should invest in designs that enhance convenience, portability, and shelf appeal.

For indulgence and luxury goods, the marketing strategy transcends the functional and enters the realm of emotion and identity. These purchases are often tied to celebrating achievements or marking special moments.

Create a sense of belonging – limited editions and waitlists can also heighten desire by creating a sense of scarcity, emphasizing quality and creating a sense of exclusivity. Brands in these categories should focus on reinforcing their heritage,

By recognising that the significance of a brand is not static, marketers can more effectively allocate their resources and craft messages that resonate with the consumer's mindset in each specific purchasing context. The key is to understand whether the consumer is making a choice based on function, a calculated decision based on value, or an emotional investment in a story and an identity.



**Ipsos India Shopper experts collaborate with marketers and retailers to develop category and brand-focused retail strategies.**

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