

TURNING SHOPPERS INTO BUYERS WITH WINNING RETAIL CONVERSION STRATEGIES

Our shopper conversion pilot project demonstrated how we can help manufacturers and retailers decode consumers' decision-making process.

The client

A leading retailer in central Europe.

Situation

Shoppers face overwhelming choice in stores today and traditional shopper research methodologies do not satisfactorily explain how they make purchase decisions in this complex environment. To create winning strategies, manufacturers and retailers need to follow the shopper so they can:

- gain actual and comprehensive insights into what really happens at the point of purchase
- translate this data into insights that drive a change to the store or the shelf layout
- test alternative scenarios in a compelling manner

Approach

Our shopper conversion solution enables us to observe consumer behavior across the entire in-store experience – from shopper paths and the retail environment to the store shelves and the point of sale. This methodology allows retailers and manufacturers to understand consumers' actual behavior, and to derive key performance indicators and sales drivers they can use to evaluate and improve the shopper journey.

We ran a pilot to showcase how we could help a supermarket in Prague, Czech Republic, observe and optimize its store and shelf layouts to convert shoppers into buyers.

Our comprehensive approach enabled us to follow shoppers through the store and implicitly understand their decision-making process:

- We tracked shoppers' paths, from entry to exit, using real-time locating system technologies placed on baskets and shopping



carts. We also conducted entry interviews with shoppers as they entered the store to collect pre-purchase insight.

- We used optical smart sensors to watch shoppers' interaction with brands in five categories (coffee, chocolate tablets, chocolate boxes, shampoo and detergents) at the shelf level.
- We conducted in-store audits to gather information on in-store marketing activities and shelf/assortment metrics.
- The retailer provided us with point of sales data.
- We conducted exit interviews to collect final customer insights and sales receipts.
- Finally, we integrated the insights from interviews, point of sales data and the in-store audit with in-store measurement data.

Outcome

The research yielded many insights for retailers and manufacturers that would be overlooked with a less comprehensive approach to measuring shopping behavior.

At retailer level:

- The retailer's store layout was inefficient. Almost 50% of store surface was "cold zone", registering less than 20% shopper visits. A 1% increase in conversion rates in the cold zones could increase store productivity per square meter above 4% and boost total store turnover significantly.
- Coffee and chocolate were properly managed and positioned to secure shoppers' loyalty and spending. They could be used as "power" categories, in a renewed adjacency strategy to drive additional store traffic.
- The store heat map reported a typical path for a food mission-driven retailer. If the retailer exploited further this mission target and re-allocates store layout, adjacencies and assortment selection, it could maximize conversion and store turnover.

For manufacturers:

- In our example, shampoo was hugely under-exploited. The potential of the category could be boosted by enhancing visibility of shampoo promotions at the shelf to drive more sales. Also, the positioning of flagship brands on the shelf was a key conversion driver. The retailer needed to review shelf design and product allocation to maximize sales. An increase of 1% in shampoo category conversion could increase turnover by €150,000 a year for the retailer.

The pilot delivered in-market proof of how the follow-the-shopper approach – integrated with other key data sources – can help retailers and manufactures to maximize basket size and customer purchases by optimizing store layout, shelves, categories and in-store marketing investments.



Retailers that adopt the right conversion strategies are four times more likely to increase store turnover than retailers that do not. And a category or a brand can be one and a half times more successful at retailers that are guided to adopt winning conversion strategies.

Your contact partner is there for you:

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