

BY DON E. SCHULTZ

RECESSION SHINES LIGHT ON OFT-IGNORED MARKETING METHOD

ECONOMIC CYCLES MAKE strange bedfellows. When times are good, marketing managers create all sorts of reasons to increase spending. When times are tough, it's not as easy to support those decisions. More importantly, things that had been ignored for years often take on new importance. That's what seems to be happening with in-store marketing and promotion.

During the salad days of brand growth and glory, marketing managers chased every new media form developed while continuing to support the traditional ones they had grown up on. In-store marketing, where the action actually took place, wasn't just ignored, it was often denigrated. Creatives didn't want to work on in-store signs and posters. It was beneath them. Thirty-second commercials with faboo new technology were their cup of tea. Media people couldn't fit displays and couponing into their optimization models, so they got left to the promotion guys—lesser mortals, according to the media people. Brand managers never had much contact with the retailers, so they left in-store to the field sales force, never mind that three to five times more was spent on promotion, both consumer and trade, than ever saw its way into a media budget.

But, times have changed. The smart guys on Wall Street and the loan merchants, who made it so that anyone who could make fog on a mirror qualified for a home loan and the back-room wizards who combined financial instruments of little real value into huge bundles of worthless debt, have finally done us in. The economy is reeling, and even countries are liable for foreclosure.

In times like these, suddenly retail and in-store looks really good to the brand mavens. "Retail is where it's at" seems to be the rallying cry of marketing managers faced with the reality that making sales to customers really matters, not just creating brilliant brand campaigns with esoteric logos and unpronounceable corporate names.

So the wheel of retailing turns again. This time, seemingly, positively.

The problem is that most marketers know little or nothing about in-store or retail. It hasn't been well-researched and the research that has been done has been somewhat lopsided, simply meaning we've

never looked at retail in a holistic way. Brand managers believe they can create messages that will drive consumers to and through the retail channel, i.e., brilliantly conceived television commercials will build enough brand loyalty that consumers will ignore anything and everything in the store as they trek zombie-like through the aisles to their favorite brand.

Alternatively, retailers and the promotion people believe that in-store activities can influence consumers no matter what information, background or preferences they bring. If the right flashing red arrows and dangling doodads are present, all the previous product knowledge, use experience and brand messaging will count for naught. They can be overcome when the consumer is in the "retail zone," that is, the last few feet from making a purchasing decision.

So the battle plays on. Marketing argues for more brand media advertising. Sales people, sales promotion gurus and retailers argue for more in-store merchandising and activities. Each one is convinced that what he is proposing is the best alternative use of decreasingly available corporate resources.

The only problem is that no one ever asked the consumers what they want. How and in what way would they prefer getting information about products, particularly at retail? What is important to them in making purchasing decisions? What type of retail environment do they prefer? The pristine, almost antiseptic approach of some food chains or the Wal-Mart approach of "stacking it high and watching it fly"? What would help them make better and more relevant—forget rational, we all know that doesn't exist—purchasing decisions?

What we know about retail and retail promotion is not just limited, it's almost destitute. Even though we've had scanner data and loyalty programs for nearly 30 years, little has been done with it save by a few enlightened retailers such as Tesco in Britain and now Kroger in the States.

So marketers just keep doing what they have always done before, chief of which seems to be, if it's not working, do more of it, whether that means more television commercials, or deals or discounts or another flurry of coupons. Unfortunately, or perhaps fortunately, in today's economic climate, that's just not possible.

There would appear to be one bright spot on the horizon. P.R.I.S.M., or Pioneering Research for an In-Store Metric, which started as a broadly based industry initiative and is now owned by Nielsen, is attempting to develop knowledge that will allow in-store promotion to be measured using the same reach methodologies presently used by external media forms such as television. The assumption is that if all media exposures can be measured on the basis of "opportunities to see," the value and importance of all will not just improve, it will move marketing planning and allocation light years ahead of today.

Only problem, of course, is that modeling a new initiative on a flawed system helps no one. P.R.I.S.M. won't get marketers any closer to understanding what works and what doesn't, any more than studying Nielsen numbers in greater detail will help marketers know what consumers prefer or ignore. Only customers really know what influences them. That means consumption, not exposure, and certainly not opportunities to see.

The problem seems to be that marketers think consumers are blank slates. And that whatever marketers throw at them will stick, or at least register. Given all the promotional alternatives available to consumers today, it seems like we should start with them, not with what we've always done.

I wonder what consumers would say about "opportunities to see" and how important that would be to them. **m**



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As this issue went to press, The Nielsen Co. announced that it was suspending the P.R.I.S.M. program, citing the nation's current economic woes. A company statement read, in part: "While the industry as a whole is very supportive of the syndicated service, many clients, in the face of the current economic environment, are not in a position to fully fund a syndicated service at this time."

