

HOW TO MEASURE YOUR RETAIL PERFORMANCE

Statistics show that more and more purchase decisions are made at point of sale. In some categories such as shampoo, this can be as high as 80% in some markets. Often left out in strategic marketing planning, the point of sale environment is increasingly cluttered, increasingly challenging – yet now increasingly measured with more discipline.

Too many companies in Asia invest their energies in communications on the main media, but fail to leverage the ‘last battleground’, the retail space with the same amount of passion. Too often it is either outsourced to the sales team, or left to the luck of the retailer. Regardless, it is rarely benchmarked and measured in the same detail traditional marketing is.

We have been helping a number of marketers over the last three years to improve their retail delivery. Through Point of Sale Material audits, through financial audits of the deployment companies, and through consulting services, we have helped them measure and drive improvement. Here are some of the key learnings from this work

1. Engage the retailer – we’ve seen where there is some incentive on the ground, a campaign will always perform better. One of our clients has established a Retail Motivation program with overseas trips awarded through Mystery Shopping. Another has created a ‘points’ system for their retailers, with membership rewards handed out in compliance with a certain retail approach. One message is clear – where the retailer is connected in, the campaign results are always better.
2. Don’t (only) rely on your own people – you need an independent viewpoint to your delivery, your own people at the sales level will too often bring their own opinion and style to deployment, not enough independence. On one case, a company sure of their own local deployment in a city we audited, delivered 4% compliance. 96% of the outlets had no signage or the wrong signage – little wonder there was a direct impact on overall poor campaign performance. One of our clients uses our independent analysis as a direct incentive program for its own people, rewarding those that truly deliver.

3. Data matters – the best marketers now have sophisticated management tools right down to the store level, and build up learning over time that cannot be bettered. A sophisticated reporting system enables you to look at real time compliance, identify trouble stores and catchment areas and creates an improved delivery. One of our clients is slowly building a specific profiling of its 10 million retail outlets in the region – an ambitious task, but ultimately building a sustainable competitive advantage.

4. Create Proximity Marketing Plans – we work closely with one marketer that has taken this to an artform. Of course the thinking is simple – what messages should be delivered when, and more importantly, where. Signage within 1 km is focused on brand awareness and recognition with broad directions. Within 200m, the signage is purely directional, driving traffic to the store. Within 10m, the signage is more offer based – to create location based footfall. Finally, at the point of purchase itself, the messaging is very informational in nature to give customers full clarity on their decision.

Performing at retail is more and more becoming an exciting science. Asia has lagged the rest of the world in its discipline, management tools, auditing and strategy in this area. But the successful companies are already well on the way in these areas, building what may prove to be long term competitive advantages.