

## CLOSE UP 16

**CAMPAIGN: TURKEY:** INTERVIEW  
NOVEMBER 2012

**“The moment of consumption is much more important than the brand.”**

Pietro Leone:  
*“Shopper marketing is not just about in-store fixtures and settings.”*

***Multi-disciplinary marketing agency network G2's EMEA CEO, Pietro Leone explains the value of the shopping experience for consumers, which the agency creates in partnership with their clients: global brand marketers***

Return on investment (ROI) is a magic word for everyone handling a marketing budget. Whilst “shopper marketing” or a “store-back” concept or approach is rather a new addition to marketing jargon, it catches the attention of many professionals since it focuses mainly on this critical area: return on investment.

The lighting in the store, an active twitter account for the brand, price comparison guides in front of the shelves, a user-friendly online store... Shopper marketing experts optimise every point of contact for the consumer and provide marketing budget investment advice to brand owners about how to drive consumers to purchase.

Pietro Leone believes that the consumer's price-based behavior can be transformed by the total value created across all these points of contacts and if the processes are



**managed with the goal of creating value for the consumer, minor price differences will not be a significant deterrent.**

**Pinar Isik:** “We live in a period where consumer trends shift rapidly. How do you keep up with these changes in attitude and especially those of Generation Y?”

**Pietro Leone:** First of all, I do not agree that consumers’ attitudes have changed so much. The number of opportunities presented to the consumers has increased. With technology, the way the consumers access the brand has changed. Before, if we wanted to buy something, we would go to the store and simply buy it. There was a direct relationship between the brand and the consumer. Today however, friends, forums and blogs are added to this relationship. There are various sources from which you can get information about the product. Generation Y lives with technology and is directly affected by this information pool.

**Pinar Isik:** Are the consumer’s actions price-sensitive in such environment where there is a massive information pool about the product?

**Pietro Leone:** Consumers buy a product for not only its price, but also for its value. That’s the only logical explanation for many premium brands having increasingly higher profits. The reason why brands that deliver expensive services are very successful these days is that they take the service they deliver to consumers, seriously. Meanwhile the number of inexpensive products continues to increase. In other words, the consumer has to do a lot of thinking in front of the shelves. They check the price and try to assess the value they’ll obtain by this purchase.

**Pinar Isik:** You say that both expensive and inexpensive products consistently increase their market share. So, is it possible to say that the mid-market brands are shrinking?

**Pietro Leone:** Yes, the mid-market’s share overall is shrinking. The consumers today are highly volatile. Their preferences are hard to predict. When I was a kid, people with money would buy expensive products and people with no money would buy cheap products. The equation was that simple. Today, however, I can rent a jet and fly to Berlin, stay in the most luxurious hotel, buy a luxurious gift for my wife and then go to a fast food restaurant and eat a cheap dinner. People’s consumption preferences are more of a combination these days. This combination includes inexpensive and expensive products and therefore, we consume medium-priced products, less.

**Pinar Isik:** We observe that location-based mobile applications are increasingly improving. In the long run, will there be a relationship between shopper marketing and these applications?

**Pietro Leone:** Yes, but the infrastructure of such a relationship has yet to develop. Mobile marketing will carry marketing communications to a higher level.

**Pinar Isik:** Can shopper marketing experts analyze consumers and make assumptions regarding what they will or will not buy?

**Pietro Leone:** Even though not all shopper marketing experts are capable of doing this, there are some who are successful. Some people think that shopper marketing is just about in-store arrangements and settings. However, shopper marketing starts long before consumers come to the store. The experience of buying should be evaluated in three phases: before visiting the store, while in the store and after visiting the store.

**Pinar Isik:** Do you monitor consumers in supermarkets and stores?

**Pietro Leone:** We usually conduct our surveys, online. Only in some special cases, do we conduct in-store surveys. We try to observe which brands the customers pay attention to, which products they touch and which prices they check. We try to figure out which message convinces the customer, most. We map out the customers' decision-making process. Actually, there are only three points of contact where the consumer decides whether to buy the product, or not.

**Pinar Isik:** What are these points of contact?

**Pietro Leone:** They vary based on the brand, the product and the category. They are all different.

**Pinar Isik:** The scope of my next question will be broad, but I would still like to ask it. What are the factors you take into consideration in order to create an effective consumer experience for the customer?

**Pietro Leone:** If a customer does not buy a certain brand, it means there is a barrier between him/her and that brand. If we define these barriers accurately, we can comprehend their shopping experience, better. Before, companies created value. The retailers would transfer this value and the customers would buy it. Today, the companies and the retailers create value, together. Therefore, the cooperation between the brands and the retailers is crucial.

**Pinar Isik:** Which brands do you think are successful at shopper marketing?

**Pietro Leone:** It's possible to say that some of the multi-national corporations are leading in this area. For example P&G is very successful. Shopper marketing means that the marketing director and the sales director sit together and try to explore, define and bring down the barrier between the customer and the brand. Ultimately, every company wants the same thing: ROI. That's why they pay extra attention to shopper marketing.

**Pinar Isik:** Why did ROI become a number one priority for everyone?

**Pietro Leone:** Because, the macro-economic environment we live in does not allow, otherwise. Companies started to prepare short-term plans due to uncertainties. It's not wise to prepare a five year plan, at the moment. There are so many variables, it's totally normal for companies not to see ahead. They invest in short-term projects with higher ROI.

**Pinar Isik:** With high growth numbers, Turkey gets the attention of many investors. As G2's CEO, how would you evaluate our country?

**Pietro Leone:** Many companies see Turkey as a means of growth. There's a dramatic economic improvement and the figures are great. If you ask me whether I'd prefer to make an investment in Italy (Mr. Leone is an Italian) or here, without any hesitation my answer will be Turkey. This issue is not even up for discussion.

**Pinar Isik:** Are Turkish brands interested in shopper marketing?

**Pietro Leone:** Yes, there is a serious demand from company owners to get information about shopper marketing. However, in order for shopper marketing to be successful, businesses should be more productive in the field.

**Pinar Isik:** So, don't you think businesses in Turkey are productive in the field?

**Pietro Leone:** No I don't, because big players are required for the organizations to work efficiently and productively. In Turkey, majority of the retail business still consists of small

players. If this ratio changes, then the organization structure changes, too and consequently shopper marketing will yield better results.

**Pinar Isik:** Could you count the three factors that are crucial to create a good shopping experience?

**Pietro Leone:** The first one is a distinct strategy. The second one is the in-store setting including accessories, display units and lightning. The third is core marketing activities. That's because consumers do not think about the product, they think about the moment of consumption. For example, when you go to the grocer to buy cheese for breakfast, you buy your newspaper and bread from the same grocer. This is a moment of consumption. The cooperation of brands that address the same moment of consumption yields fruitful results. But, a good strategy is just as important since a good strategy brings effective execution and a bad strategy brings an ineffective execution...

**Pinar Isik:** "Is it possible to talk about a "Digital shopper marketing" concept? Is it possible to create a good consumer experience on online channels?"

**Pietro Leone:** Yes, it is. We are conducting a lot of research regarding this issue. There's a general bias that 90 percent of people are online shoppers. However, the findings of our research showed that only 5 percent are regular online shoppers. There are six types of online shopper characters and each of them has a different approach to online experience. We are trying to measure what each character wants or does not want through detailed surveys. We generate massive amount of data because we believe that only through access to adequate data can we achieve useful results.

**Pinar Isik:** One last question: As G2 what is the most common benefit you deliver to your clients?

**Pietro Leone:** Most of the marketing managers will tell you that they get a return on only 50 percent of their investments. At G2 we offer consultancy and guide our clients on which 50 percent will be profitable. I believe this is the reason why we've been successful in the recent years.

### **Digital shopper characters**

G2 eCultures Europe study interviewed 6.500 internet users across 6 key markets in EMEA (Russia, UK, France, Spain, Germany and Romania) showed that the users are categorized in 3 main characters and 6 sub-characters.

#### **Analogs**

**'Web watcher':** "Internet is not essential in my life"

**'Functionalist':** "I've caught up with the digital age at the last moment"

#### **Migrants**

**'Value Culture':** "Internet makes my life easier, but I don't want to be available all the time."

**L-Plater:** "I am constantly learning about the digital life."

#### **Digital Lovers**

**Geek-Chic: (Follower of digital trends):** "I enjoy being online all the time and I love the latest gadgets."

**Cognoscienti:** "Internet will always be in our lives, from now on. Therefore, full speed, ahead!"

