

# How in-store shopper behaviour influences brand choice

Age and gender do not always follow expected norms in purchase decisions, but type of shop can be an influence, says **Jordi Connor**, OgilvyAction

**I**N THE BRANDING and advertising world, we like to think that practically everything we do is measurable. We run TV and radio ads and measure the response - changes in consumer opinion, perhaps, or an uplift in sales. We measure redemption if we run a coupon campaign and responses to a direct mail pack or door drop. We know how our target demographic feels about our products through focus groups and market research, and we know what sets brands apart from their competitors.

But there's a crucial stage missing - the actual moment of purchase. It's often said that what you don't know can't hurt you, but when it comes to shoppers making decisions in-store, the opposite is true.

At some point, a shopper will have picked up any given brand, handled the packaging and perhaps read the information on the back. And then, for some unknown and possibly very small reason, they will have put it back on the shelf and picked up a competitor instead.

Advertising and brand spend count for little if the product is not ultimately purchased - there's no prize for moving a brand into second place. The in-store environment is fickle and not easy to measure, but it is the crucial area of conversion for the vast majority of FMCG products.

## What data cannot tell you

Sales data might tell you how well your brand is selling or which brands a customer buys regularly, but it won't shed any light on, for example, what a shopper planned to buy before switching and the categories they intended to buy from when they first arrived in the store. Moreover, it cannot provide the actions that preceded what those consumers bought, or didn't buy, or even show what they intended to do.

The old POPAI statistic said that 70% of shopper decisions were made in-store, but this is too simplistic. An overall average is irrelevant. What matters to brands is how people shop within their category, how that changes by channel, lifestage and gender, and how that differs for every product type. By understanding such factors, brands can identify whether there

FIGURE 1

## Brand-buying intentions by age and gender

If you are going to buy in the following categories, do you know which brand you are going to buy?

	Beer	Household detergents	Soft drinks
<b>Men</b>			
% Under 25 male had intended brand	100.00	66.67	50.00
% Under 25-34 male had intended brand	85.00	78.57	80.43
% 35-44 male had intended brand	57.14	58.62	54.55
% 45-54 male had intended brand	88.24	80.00	81.25
% Over 55 male had intended brand	100.00	100.00	100.00
<b>Women</b>			
% Under 25 female had intended brand	92.31	100.00	93.33
% Under 25-34 female had intended brand	68.97	75.00	81.48
% Under 35-44 female had intended brand	85.19	90.32	96.97
% Under 45-54 female had intended brand	76.92	90.00	83.33
% Over 55 female had intended brand	100.00	100.00	100.00

Source: OgilvyAction

are opportunities to make big gains from small changes. But there are no simple answers.

These are big issues to tackle. Product choices are affected by category, brand and volume, as well as by the retail environment (a chemist, a supermarket or a newsagent, for example). Customer type is also crucial: the gender, age and personal habits (such as whether they planned their shop by writing a list) of shoppers are all crucial factors that affect whether a brand is picked up or left on the shelf.

During 2008, OgilvyAction attempted to provide some answers to these questions. The agency conducted a global survey of 700 retail outlets across 40 markets and questioned more than 14,000 shoppers immediately before they entered and left stores. It also looked at a range of product categories and behaviours in different shopping environments.

The resulting research, Shopper Decisions Made In-Store (SDMIS), highlighted several important factors that can affect whether or not a brand makes it through the checkout.

To understand what is going on in the retail environment, we need to first understand the process of how people relate to brands when shopping and when plan-

ning to shop (the figures used from here on relate to the UK results for SDMIS).

SDMIS found that 79% of shoppers do not put brand names on a shopping list. It's likely that the brands that are named on shopping lists will be from a discrete pool of products that have come to define a category, such as Coke, Tampax, Sellotape and Branston. However, a traditional shopping list, if made at all, will consist largely of unbranded category types: washing powder, beans, yoghurt.

This does not mean, however, that shoppers do not have a brand in mind when they go into a store. Around 40% of shoppers made their final brand choice in-store, which suggests that, despite not writing them down, certain brands are always front-of-mind and will always do well. However, 20% of shoppers switched from their intended brand in-store, and this is where other variables can come into play, some of which are outlined below.

In the UK, men were shown by SDMIS to be the more impulsive of the two genders in the retail environment (although in the US, it was women). As well as making more straight impulse purchases (two-thirds of the total number in confectionery), men were also more likely to

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brand in mind when entering a store, just 10% bought the same market-leading brand, with 15% choosing the second-most popular brand. So while brand A was extraordinarily strong among planned shoppers, the same brand was less popular among impulse shoppers who chose their brand in-store, leaving a clear space where sales could be gained. Interestingly, two-thirds of this group are male, and 70% of these male shoppers were aged 35 to 44.

#### **Channel affects choice**

Interesting insights were also gleaned for other categories and across other channels. In beer, for example, the channel of purchase made an enormous difference to decision-making.

In a supermarket, shoppers were much less likely to switch brand than those buying beer from an independent store. This finding would seem more natural in a category such as wine, where independent stores may offer a vastly larger (or smaller) selection, as well as potential staff expertise that would encourage switching, so it is interesting to find such behaviour in beer.

The same pattern is repeated for consumers buying shampoo at supermarkets and pharmacies - with those shopping in pharmacies more likely to switch. This may be due to promotions, higher dwell-time or the expertise on offer, but it suggests opportunities for brands both to tempt switching in supermarkets and to encourage brand loyalty in pharmacies.

The nature of loyalty, in-store behaviour and the complex effects that branding has on consumer decision-making are only just beginning to be understood.

Of course, brands that sell in retail outlets will never be able to control every aspect of the buying process. But insights into just how the in-store decision-making process works can give a valuable edge to brands in the last mile of a customer's journey.

item they wanted, and significantly more likely than women to switch brand.

But the biggest difference between the sexes was in men's propensity to increase the quantity they bought. These last two findings suggest a higher susceptibility of men to be interested in special offers, either tempting them away from their usual brand choice, or encouraging them to buy more.

#### **Age and brand loyalty**

There was an interesting correlation between age and loyalty for both genders. For men, a graph plotting age with entering a shop with an intended brand in mind is a deep 'V' shape across almost all categories, with the lowest point for loyalty between the ages of 35 and 44.

For women, this age range was a high point for intent to purchase specific brands, with lower points either side of it - a 'W' shaped graph. Women aged 25 to 34 and 45 to 54 were the least brand-loyal across almost all categories, with the over-55s the most likely to be fixated on a specific brand pre-purchase.

Not only is this an interesting finding for any brand considering or running a loyalty scheme, it also provides defined age ranges during which consumers have

the potential to be acquired with a view to long-term loyalty. Encouraging repeat purchase among 35-year-old men may create a habit for life.

SDMIS also investigated certain ideas that are often taken for granted on the gender and shopping front - that men buy more beer, and women more cosmetics - and found that they weren't as extreme as imagined. The research showed that, while this assumption is technically true, there is not a great deal of difference in purchase levels. Across the beer and cigarettes categories, the figure was almost equal, with a slight male bias (55.4% on beer, for example). The reverse was true across confectionery, detergents, shampoo and skincare, where the bias was, at most, around 60:40.

It is no revelation to suggest that people buy sweets and chocolate in a different way to cleaning products or skincare, but SDMIS revealed interesting insights into the thought process behind choices, particularly in high-interest categories, such as confectionery. Pre-shop, nearly a quarter of shoppers in the confectionery category named a specific, market-leading brand - brand A - as their first choice, and went on to buy that brand.

However, if shoppers did not have a