

Back to *The Future*

The next big growth opportunity for CPGs?
It's back where we started — *the physical store.*



Retail media networks and the digital shelf get most of the attention in the Commerce space — rightfully so, since most estimates have retail media growing 20%+ annually and ecommerce sales increasing 8-10% each year. And among clients at Mars United, these two practices represent a substantial piece of the agency hours needed to support strategy, activation and reporting.

What's interesting, though, is that almost 90% of all purchases across the Food, Drug, Mass and Club channels are still happening inside the traditional, brick-and-mortar format. So why aren't we talking about the in-store experience more?

One reason: Well, us.

Commerce agencies have spent the last four years fighting the “in-store” or “shopper” stereotype, and planning, placing and optimizing retail media and ecommerce have helped accelerate that conversation. It has required new structures, new tech, new expertise and new ways of working, and has allowed agencies like Mars United to influence shoppers wherever and whenever shopping is happening. Which is **everywhere, all the time**. Texting product links to friends and family. Adding to cart as shoppers scan their pantry shelves. Deathscrolling social media.

There is no more prompting shoppers to purchase — the habitual consumption of information through a smartphone has placed consumers in a constant state of consideration, which makes conversion wide open for brands. The challenge is finding ways to connect with consumers in these highly competitive spaces that change beliefs and influence behavior. That's where Commerce agencies have migrated to and now play an important role. That, coupled with the pressure of retailer budget commitments and brands wanting to ensure every dollar is working like two, makes it easy to see why retail media and ecommerce have been a focal point.

Another reason: Growth.

Ecommerce is growing at almost **4x the in-store rate**, and growth is what so many CPG sales objectives are based on. In-store growth can be more difficult because the existing base is so large and new, so hidden consumers can be hard to find — but also because brands have less control in that environment. The physical shelf is driven by SKU expansion and incremental merchandising, which can require significant investment, whereas digital growth can be more easily influenced by tweaking targeting strategy or improving SEO. Plus, the ceiling for growth on retailer.com is much higher.

Those are two incredibly valid explanations as to why we should continue to focus our attention here. But that doesn't mean in-store should take a back seat, particularly given that's where most sales still happen. There continue to be opportunities to drive growth by breaking shoppers out of their trip autopilot and finding compelling ways to get them down the aisle, to enter a shopper's consideration set and fuel purchase intent.

I think the next big pivot for commerce creative can actually be found in the past, meaning going back to the roots of Shopper Marketing. Placing more emphasis on creating influential brand experiences in-store (in parallel with ecommerce) that not only make shoppers want to buy but to actually evangelize that experience to their friends, family and social media platforms. As Marcus Collins said at Most Contagious New York in January, "People don't share your brand with their friends because they love it. They share it because they love their friends."

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- Marcus Collins

At Mars United, we've spent the past few months auditing what's happening in this space and trends outside of it, as well as hosting discussions with some of the leading commerce opinion leaders to help craft our point of view. Rather than provide you with a recap of that, we've decided to try and apply it by taking this approach: "What if we were a CPG marketer? What would we do differently to focus more attention on the in-store experience?"

HERE ARE 4 THINGS TO CONSIDER:

- 1** Prioritize the Commerce idea, not just the Commerce activation.
- 2** Give shoppers a reason to go down the aisle again.
- 3** Get in front of connecting digital and physical trips.
- 4** Unlock the new dwell time.

Prioritize the **COMMERCE IDEA,** *not just the* **COMMERCE ACTIVATION**

The philosophy of beginning with a compelling reason-to-buy at the shelf and working backwards, versus starting with a reason-to-believe at the top of the funnel that's pushed downward, was a transformative way of thinking about campaign integration in the late 2000s. But now that Commerce Marketing has so many more layers (like retail media and the digital shelf), the focus has shifted first to how programs execute, and then to the organizing idea wrapped around the program.

That usually leads to a 4th of July grilling platform that looks and activates like every other 4th of July grilling platform since our forefathers fired up their Traegers for the first time. But true Commerce ideas — the ones that influence shopper belief and behavior and grab the industry's attention — should be the focus.



This can look like uncovering an emerging shopper who was previously hidden (like the rise of GLP-1 users) or mining a new consumption occasion (which can honestly feel more like product innovation than campaign development). If the idea is good enough, there will always be a Commerce angle that comes out of it, and Commerce agencies and CPG teams absolutely have a right to play here alongside the brand agencies.

Give shoppers a reason to **GO DOWN THE AISLE AGAIN**

Several years ago, we ran a test that replaced a section of client SKUs on the shelf with similarly structured packaging. The only difference was that the replacement packs were bright green and had “Free Money – Take One” printed on the outside. And they were filled with \$20 bills.

We then had 25 shoppers shop a quick-trip occasion of several categories, including that one, to guarantee they would walk down the aisle. Guess how many saw the new “product?”

ZERO.

Interviewed afterward, each shopper said that, when they got to the aisle, they went straight to what they always buy. They spent no time “shopping,” and when we asked them why, the response from most was, “Because I always buy X and I know what’s in that section.” There was nothing signaling to them,

“Hey! There’s something new that you might really dig,” that broke the autopilot of expectedness.

So many of our aisles have become transactionary and inspire little or no exploration. But what if we created more reasons to explore them? What if they became destinations for “new,” a permanent location for new products and solutions that rotated every two weeks (or on a different timeframe based on that category’s purchase cycle)? What if we improved how we paired shopper preference for flavors and scents with line extensions they’d be more willing to buy if they just knew they existed? Shoppers are constantly checking their social media apps because there’s a steady stream of new content — why should our physical (or digital, for that matter) aisles be any different?



Get in front of connecting **DIGITAL AND PHYSICAL TRIPS**

In most cases, if we begin our search online through a retailer's website or app and then continue the trip into brick-and-mortar, we start over instead of bringing those navigational behaviors and choices with us. The two are also very different trip experiences. Digital retail removes much of the friction between prompt and purchase, and the assortment is highly curated to the individual. In-store can go off the rails whenever a shopper's time, money or frustration budget is reached, and they are in a constant state of deselection (which also leads to the aisle avoidance referenced above).

As retail media networks continue adding new levers to build value for their CPG suppliers, it stands to reason that a not-so-far-into-the-future version better connects these two environments. Product recommendations. Hyper-targeted messaging and offers. Fluid pricing. Dynamic content optimization. Shopper reviews. Imagine how different an in-store visit becomes with these principles applied through a shopper's mobile phone or a retailer's shelf.



While these ideas are primarily conceptual, they offer tremendous opportunities for CPGs to partner with their retailer customers on test-and-learns that will shape how category strategy plays out over the next five years. The hard part is gathering the data and modeling the behavior — but we have that. We just need to apply it against real-time, real-world prototypes to influence the way shoppers shop. And isn't that why you got into this business in the first place?



Unlock the new **DWELL TIME**

Attention spans are shrinking (self included), and the way we think about shoppers as a captive audience has changed rapidly. As more front-ends are converted to self-check or even walk-out tech, what used to be a highly contested impulse space is now often not even a stopping point. Does that mean the opportunities for add-on and trade-up have evaporated? Not really. They've just migrated to different points within the shopping journey. For example, when's the last time you parked for grocery pickup and were in-and-out in two minutes? As pickup has become more popular, retailers are expanding services to meet demand, but wait times still average about seven minutes.

So, what are we doing with that time they're sitting there? Why don't we offer them an opportunity to sample a new product they can add to their purchase if they like it? Why don't we use that window of time to feature new meal solutions based on their purchase history? Could we give them a unique, digitally created product experience on their phone or an exclusive bounce-back offer to encourage a return trip?

This kind of environment is new to the store experience, but we've yet to really leverage it as an extension of the store. While shoppers don't want more messaging thrown at them, if we curate these experiences to create real value, we can impact both that trip and future ones and unlock a new growth stream for our brands.

NET TAKEAWAY:

In the race to optimize digital commerce, don't forget about the original analog version — the physical store — and don't overlook what winning in that space can do for brand growth. While shoppers don't want more messaging thrown at them, if we curate these experiences to create real value, we can impact both that trip and future ones and unlock a new growth stream for our brands.

ABOUT THE AUTHOR



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As Chief Creative Officer, Steve oversees the global creative vision for Mars United, leading more than 180 creatives and production specialists across clients such as Anheuser-Busch, Campbell's, Conagra, Keurig Dr Pepper, Mars Inc. and others. He previously served as Chief Client Officer, guiding development and implementation of the Mars United customer experience to instill best practices across the company's many client leadership teams. Steve also founded Mars United's sister agency, TWINOAKS, in 2011.



Part of the Publicis Groupe, Mars United Commerce is an industry-leading, worldwide full-service commerce marketing company. Leveraging its proprietary suite of solutions, Mars United turns every brand experience into a commerce opportunity for many of the world's top brands through its retail consultancy, shopper activation execution, commerce media expertise and proprietary shopper intelligence platform. All Mars United capabilities are harnessed in pursuit of its vision: to deliver total business impact for clients. Learn more at marsunited.com.