

“Kiranans have started to change and adapt”

India is the most exciting market on the face of the planet right now, Draftfcb's Jim Lucas tells Payal Khandelwal

Jim Lucas, executive vice president and director, shopper marketing division of Draftfcb Chicago, is on a visit to India to announce the collaboration between the shopper marketing division and Cogito Consulting which will focus on the branding and marketing in the retail space in India. The founder of the science of retail ecology, Lucas shares some of his insights on shopper marketing.



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Draftfcb's shopper marketing division was set up last year in Chicago. How has it done so far?

It has got a pretty good response. It actually depends on the market as, for example, in some markets the middle class is going up. In other cases, the clients have multiple brands to support and sometimes they want to shift some of their money from advertising into in-store marketing. The concept of shopper marketing has worked successfully as a lot of clients in retail have been yearning for this.

Also, we try to work through organic growth. So, we try and work with existing clients and with people whom we have a pretty good relationship with. We are also trying to make sure that we work with the local offices. We know a lot about the retail sector but we don't know everything about the markets like India and China. So we are working closely with the local

offices and the local clients in most of the markets.

You have spoken about “retailer's emerging role as choice editor or managers of meaning”. Can you elaborate on this?

Retailers have become more interested in establishing themselves as brands, creating a certain kind of experience or linking up with a certain kind of lifestyle. They want the shoppers to say that ‘they understand me’. From that point of view, any brand that comes in there could be different in terms of how it is presented and perceived inside these retail environments. What starts to happen is that the nature of the shopping experience and the retailer's brand itself start to change what's going on. A retailer is more focused on value or a retailer is more focused on convenience or a retailer is more focused on some specific segment. A pretty good example of this is

in Big Bazaar in India. They have a diabetes section which is a very interesting concept because most stores don't have that. They did a good job in trying to establish a connection with a segment inside there. A lot of retailers have recently started establishing this lifestyle kind of bond with the shoppers.

What are the biggest challenges in the shopper marketing segment?

The first one is an interesting challenge. People view shopper marketing as a discipline, but we believe that it is actually a perspective that most people should be taking.

The second challenge is to shift people's thinking from ‘consumers’ to ‘shoppers’. It is seemingly a very subtle shift but a very important one. When one goes for shopping, how much time one can spend inside the store? It's not an infinite amount of time and in that limited time the

manufactured brand has to get inside somebody's head. One needs to understand that people are thinking differently when they are shopping than when they are actually using or consuming a product.

The third challenge is when we work with the retailers and the manufactured brands, we try to align the objectives of both the groups because they are going to help each other.

The manufactured brands are the ones which offer innovation and choice to the retailer. The retailer is the one who has a relationship with the shoppers and has the distribution. So, as the two groups constantly need each other, we try and align their goals. We get the manufactured brands to stop focusing on the market shares solely. We explain to them that the retailers will help them build their category.

All these are challenges which require mindset shift.

How relevant do you think shopper marketing is in the context of India where the unorganized retail sector still rules?

Shopper marketing is extremely relevant in the Indian context for two reasons. India is the most exciting market on the face of the planet right now. Also, this is probably the chance to rewrite the script.

The way you can have an impact is two fold. One way is to work with the organized retailers. When you work with the organized retailers, you can help them as to how can they better leverage the store as a medium and as an environment. You can also work with some of the manufactured brands to try and improve the practices in their merchandising strategies.

You can do that by classic traits as helping the clients with the hypermarkets, there can be a focus on different groupings of various retailers.

The entire sector is not yet organized but it becomes a way to make the whole process more and more rational.

Also, the kiranans have already become smarter as they have started to change and adapt. That is a big opportunity even though this segment is not really an organized one.

“Marketers need to shift from unique selling proposition to unique shopping proposition.” Elaborate.

It is the flip side of the ‘meaning managers’ concept. If you are a brand, you may have to come up with a unique retail proposition for different retailers because you need to offer each something unique.

Retailers are concentrating on their performances and on what differentiates them from other retailers. Manufactures can create a unique shopping experience and this will help in aligning the needs of shoppers, manufactures and retailers.

CHATTER

“If India and China have been on the wrong side of history for 200 years they will be on the right side for the next 200 years.”

Sir Martin Sorrell, group CEO, WPP

“We should not get happy about the tribal acceptance of India that gets expressed like, “Oh, it's very colourful!” We should be appreciated for our ideas, thoughts and the soft power of our culture.”

Prasoon Joshi, executive chairman, McCann Worldwide

“Somebody sitting in Mumbai can't actually say whether overall radio advertising is creative or not without hearing the bulk of it.”

Josy Paul, chairman, BBDO India

“If anyone's coming to add value to the business, we think it's a positive sign since it's a departure from the diary method. We don't care which company does it. Whether it's Arbitron, TAM or the MRUC...”

Nandan Sreenath, COO, Radio Mirchi

“The programming of Bindass is a cross between AXN and MTV – which grossly underestimates the youth of the country. They are not frivolous.”

Ashish Kaul, EVP, Zee TV