



Quarterly Newsletter

April 2011



Welcome to MR's Newsletter!

Dear Luke,

It is our privilege to share our viewpoints with you. We strive to make these newsletter topics relevant to you; presenting perhaps a fresh perspective on important issues based on our expertise and experience. We always welcome feedback and appreciate any suggestions for future newsletter topics.

Shoppers are Smart

After spending countless hours in store aisles talking with hundreds of shoppers, I am struck by a simple realization: Shoppers Are Smart! It is not that I thought shoppers were dumb, but I have seen a distinct movement toward "savvy" being more the norm than the exception. This plays out in several ways.

Shoppers understand the world of "Marketing". They know companies are marketing to them in many different ways and therefore train themselves to ignore advertising vehicles such as in-store signage. Brand nostalgia also seems to be less meaningful in the eyes of consumers. They know large companies own most national brands and that their best interests are not always being looked out for. Some know and admit they are susceptible to marketing/packaging "gimmicks", but they are okay with it. They will say "I am a sucker for nice packaging", but that statement alone highlights their level of awareness and purposeful acceptance.

Shoppers are educated. The consumer backlash against High Fructose Corn Syrup and Added Growth Hormones in dairy products are examples. Products with containing those ingredients have been stigmatized and many shoppers now avoid them. The result: categories changed - almost all milk products now claim to be hormone free; yogurt, ketchup, and many other products have either switched back to sugar or highlighted the absence of HFCS.

Exploratory In-store Research

We serve manufacturers and retailers with our proprietary in-context methodology. We help you access the consumer insights you need to deeply understand how your consume navigates a category, experiences your product/package, and makes

Shoppers look for "proof". Let's look for a moment at the "all natural" movement, which has been marked with the explosion of new products claiming to be more natural. Shoppers want to eat better. They want to give their children better alternatives, but when they start seeing "All Natural" on everything from Flax Seed to Cheetos, they have become more discerning. There is a level of skepticism surrounding claims that causes them to check ingredients, nutrition, conduct their own online research, etc.

Shoppers are empowered. They are no longer blindly loyal to retailers or specific products. Many shop at a variety of retailers looking for the right combination of product selection, quality, and value. On the product side, many have their preferred brands that they stick with in certain categories and shop around for the best value in other categories.

What are the implications to you?

1. *Focus on the "first moment of truth".* Make sure the front of the pack includes the key elements of "proof" that shoppers are looking for. That said, make sure to balance key benefit communication with the current macro-trend of consumers desiring "simplicity".
2. *Give shoppers the benefit of the doubt.* Ensure the actual product fulfills on the intended promise. Quality products will thrive, "pretenders" will falter.
3. *Make sure your research plan includes in-store touchpoints.* Having spent time in-aisle and behind glass has shown me that shoppers are especially savvy when in the shopping environment. They may struggle at times recalling the brands they buy or anticipating what they would do in a focus group setting, but they simply know what to do when they are in a store shopping.

~Luke Cahill

purchase decisions in-context.

For more information on our company or AisleView visit our website at:

www.mrtbls.com

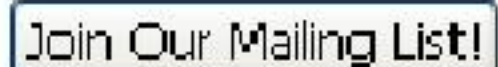
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