

ZIGZAGGING THROUGH THE CHRISTMAS CLUTTER

Planning your marketing strategy for Christmas? Just because it's the silly season doesn't necessarily mean you have to go silly with your in-store promotions, writes **Norrelle Goldring**.

Ah, Christmas promotions. So much fanfare, so much cardboard, so much waste. It's the marketer's Catch-22 – damned if you do, and damned if you don't. Or are you? Do you spend inordinate amounts of money on Christmasifying your point of purchase in order to be 'part of the Christmas spirit'? Or do you stand on the sidelines, potentially Scrooge-like, and watch the Christmas parade pass by?

In other words, do you Zig or do you Zag? Well, as with most things in life, it depends. Below are some steps to successfully negotiate the in-store Christmas clutter with the least amount of grief. Whether you should Zig ('be in it' in terms of Christmas theme and price promotions) or Zag (do your own thing, and not necessarily drop price) depends on the relevance of your category to Christmas shopping occasions. There are two basic shopping occasions surrounding the Christmas season: entertaining and gifting.

ENTERTAINING

Which categories? The basics are:

- ◆ food: traditional Christmas dinner items such as hams, chickens, turkeys, puddings, mince pies, prawns, ice cream and custard
- ◆ treats and snacks: chocolates, dips, cheeses, crackers
- ◆ liquor: beer, sparkling wine, table wine, RTDs
- ◆ non-alcoholic beverages: bulk packs for entertaining
- ◆ decorations: tree and home decorations including baubles, tinsel and lights, wreaths for doors; gift wrap, tags, bags
- ◆ utensils: paper plates, cups, napkins, and
- ◆ lighting: indoor (candles), outdoor (bamboo lanterns, fairy lights).

IN-STORE EXECUTION: CREATE SOLUTIONS

Shoppers shopping for Christmas entertaining are in stock-up mode, but they are time pressured, harried from dealing with crowds, and therefore looking for convenience and a 'one-stop shop'. Entertaining occasion categories should be 'redded up' in traditional Christmas gear, put all together if possible to create an 'entertaining solution' display and have a clear occasion message, e.g. 'Christmas dinner'.

Entertainment solution displays may be divided into the following:

- ◆ cold foods/delicatessen

- ◆ decorations, lighting and utensils, gift wrap
- ◆ treats, snacks and condiments, and
- ◆ drinks.

DON'T DISCOUNT TURKEYS AT CHRISTMAS

Because it's a one-stop shop with a time limit, the grocery shopper mindset for Christmas shopping is 'how fast can I get out of here?' not 'how much can I save?'. Entertaining occasion items would be purchased anyway, so there is no point in decreasing your and the retailer's profit for the same sale. Price should only be dropped as a mechanism to secure display, if necessary. Price point should be communicated on point of sale, but being 'on special' is less important than getting display visibility with a clearly communicated occasion.

GIFTING

Are you in a gifting occasion category? If not, can it become gifting by changing pack format or gift boxing, e.g. single serve chocolate bars versus gift box chocolates? Can your category ramp up the indulgence factor to play in gifting occasions? Who would buy your category, for whom? And what does this mean for pricing and execution?

IT STARTS WITH FOR WHOM THE SHOPPER IS BUYING

Is there a 'type' of Christmas shopper? For instance:

- ◆ 'on a budget' – I only have \$X to spend, or
- ◆ 'the right thing' – I want to buy them the right thing to show I care, regardless of the cost.

In reality, a shopper might be either depending on for whom they are buying. The shopper's relationship to the gift recipient is at the core of what they are likely to buy and what they're likely to spend on it. Let's look at three levels of relationship – intimate, close and distant – and how these relationships affect gift buying.

INTIMATE

Who they are: immediate family such as mothers, fathers, kids, wives, husbands.

Shopper mindset: I want to show that I get exactly the right thing for them. Price is not very important. I am happy to spend several hours getting the right thing.

What they buy: specific, high-value products and brands, potentially with a degree of uniqueness or customisation. Unlikely to be gift box format unless a very high-value item.

Categories: books – specific authors; music – specific artists; perfume – premium and couture; accessories – belts, scarves, ties, handbags; jewellery; digital and electronic devices; toys and games – higher value; tools; sports and leisure, e.g. golf clubs, fishing rods; high-value vouchers; chocolates (high-end, as additional present to the primary one).

CLOSE

Who they are: close friends seen frequently, grandparents.

Shopper mindset: I'm happy to spend a few dollars on something nice that shows I know them, but isn't too intimate. And I don't want to spend hours looking for it.

What they buy: category may be matched to individual recipient, but may or may not be brand- or product-specific. May be in gift pack format.

Categories: books, music and DVDs – category specific; liquor – focus on bottled wine, sparkling wine, spirits, imported, micro- and home-brewed beers and kits; bags; perfume – mainstream, gift boxed; personal care pampering – bath packs, foot care packs, skincare; homewares – kitchenware, e.g. platters, particularly with an entertainment focus, candles; toys and games (low cost) – for both kids and pets; pot plants and flowers; cosmetics – gift boxes; chocolates mid- to high-end, e.g. Lindt, Cote D'Or.

DISTANT

Who they are: friends seen only occasionally, acquaintances and work colleagues, clients, extended family, e.g. cousins.

Shopper mindset: I need to be seen to be doing the right thing, but don't want to spend too much time and money. How many people can I knock over all at once in one store for a total of \$X? What can I buy in bulk?

What they buy: categories not matched to individuals. Generic, 'safe' categories, lower value items, likely in gift box/value pack format. Multiple recipients may receive the same item.

Categories: liquor – red wine, gift boxed liqueurs with glasses; homewares – candles; toys and games – stocking fillers; pot plants and flowers; chocolates including themed, e.g. Santas, coins, roses; food items, e.g. hampers.

IMPACTS ON POP EXECUTION

The type of relationship affects what is bought. This in turn impacts on how the category should be executed.

INTIMATE CATEGORIES

Brands in categories falling under intimate relationships should 'Zag'. That is, they should focus on their own point of difference. Ensure your POP embodies your brand and reinforces shopper decision as to why

they should buy you. Do not use Christmas colours in the point of purchase. Focus on shelf space, and an additional display in the immediate vicinity of the category, as the category is a destination. Price point is relatively unimportant. Chanel is famous for not discounting its perfume. Ever. Yet it remains popular as a Christmas gift because of its brand strength – shoppers buy it anyway.

CLOSE CATEGORIES

Products in categories falling under close should concentrate on quality and value for the money, particularly for gift boxes. Point of purchase should carry images of the gift pack and outline its contents and the price point: 'For \$XX you receive all this...' Christmas colours and messaging should be subtle. Displays should ideally be located at the front of the store, or at least within the category vicinity.

DISTANT CATEGORIES

Front of store rules for displays. If you're not in a large display bin at the front of store or on a gondola end, don't bother. Colour up your point of purchase to reflect Christmas, decide on a sharp price point, and communicate value – provide an incentive to buy your product versus the competitor's. Quality is less important here than price and convenience. Ideally use promotional staff to communicate your product and generate trial if necessary. (See Gifting Occasion Shopper Matrix below.)

WHAT ABOUT OTHER CATEGORIES?

What if you're not in an entertaining or gifting category? For example, what if you are: apparel (lingerie, socks and jocks, and apparel vouchers excepted); staple groceries; health foods and health products; personal care staples; general household goods? Staples don't require being Christmas-ed up as they bear little relevance to the occasion.

So as we've seen it's all about the occasion and the shopper's relationship with the gift recipient. If you're a 'distant' category then it's all about Ziggling – rolling out the red, white and green and the sharp price point and 'buy in bulk' messages. If you're a 'close' category or entertaining occasion the focus is on communicating the occasion, quality/value equation and convenience of the one-stop shop. And if you're an 'intimate' category or a household staple not related to Christmas you should Zag – stay away from Christmas colours and messaging and instead concentrate on branding and up-trade. Merry Christmas! **M**

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GIFTING OCCASION SHOPPER MATRIX

Relationship type to gift recipient	\$ spend per recipient	Time spent finding gift per recipient	Order shopped for	Retail role	Gift type	Role of price and promotion	Merchandising focus
Intimate	High	High	First	Value	Specific brand or item	Low	Shelf Small display in the destination category area Unique branding
Close	Medium	Medium	Second	Volume	Generic category	Medium	Front of store display Quality/value message
Distant	Low	Low	Last	Volume	Generic category	High	Front of store display Sampling/trial Christmas message Discount price