



# Justin King at Omnidropper

Implications for Shopper Insights and Data

It's not often someone with Justin King's experience and track record of running world leading retailers gives you an hour long debrief of a career of learnings on "both sides of the fence". Having seen Justin speak at Omnishopper, we thought we should provide a digest of his talk in Barcelona for those of you who couldn't make it, or simply want a recap (we hope we can convey all his wisdom!).

If you aren't fully aware of the depth of Justin's experience, see the following run down: Experience at Mars and Pepsi-Cola International, senior positions at Asda, Director of Food at Marks and Spencer, then CEO of J Sainsbury PLC for 10 years. Justin's experience is enviable, and his talk to an expectant crowd was full of insights. Below, we've broken down some of his key takeaways, and the implications this advice can have for shopper insights and data.



### ■ Be representative of the shopper

Justin highlighted the retailer's primary job is to be the representative of the shopper in the supply chain. Indeed, the same applies to brands. Everything we do should be through the lens of what shoppers truly want. Too much 'cat man' discussion can be about just how to get more money from shoppers without them really noticing! But what does this mean moving forward? We need to be willing to tell truth to power. As the insights people, it's our job to make sure the shopper's voice is heard and for suppliers, your proposals should start with a genuine desire to improve the shopper experience.

### ■ Intermediaries aren't all bad

Another point raised was to beware of the danger of thinking "disintermediation". Manufacturers try to get around the retailer and vice versa, but don't give up on the potential value of the relationship – the right retailer partner, for example, can be a route to successful NPD. Do we know enough about which retailer to work with on what?

### ■ Values Matter

It's important that we always keep in mind that what we stand for is as important as what we do. This applies to both customers and employees, where your values directly influence their opinion of the brand. Pick good values and stick to them. For shopper research - do we even measure these? Should we? How could we go about this?

### ■ Good business models win

In the long term, only true competitive advantage driven by an underlying business model will win out. Isn't Uber only winning because the playing field isn't level? Is on-line retail growing because its subsidized? The supermarket is a proven successful model, where shoppers are willing to do the leg work. It would be unwise for us to mentally write it off – we need to keep working to understand it better, while ensuring we continue to focus on developing better business models.

### ■ Focus on building loyalty

A key takeaway of Justin's talk was we need to be wary of "utility" business ideas where the only driver is cost. There is no real loyalty here, and you can lose the customer as fast as you won them, when a better (cheaper) option comes up. Loyalty and hence longer-term profit is the reward for delivering genuine added value. Ask yourself, do we know what real added value is in our category? Are we communicating this at the right point for our customers? Do we properly look after loyal shoppers?

### ■ Don't neglect the many in favour of the few

Supermarkets will be the main part of the market for many years to come. The cost model of this is totally dependent on the core shopper and the main basket. Profit depends on getting these things right, more than adding marginal business that only works because the cost base is supported by the rest. Retail is basically about big numbers times small numbers (and not the other way around). If not, we risk shifting research into "niche" areas and taking our eye off the ball of what truly makes money.

### ■ Use data to champion the shopper

Discussion touched upon how the retail industry is inundated with data. But we must make sure we are using the data to champion the shopper, not to just exploit them. Does our data genuinely illuminate the needs, wants, missions and priorities of each shopper? What should we be looking at first? How do we use this in the correct way?

### ■ Profit is the ultimate measure

Profit is always the ultimate measure, and it's a good thing. Profit is what shoppers willingly let you keep because you do a fantastic job. So, do a fantastic job and profit will follow. But what is the implication of this? How do we know if we are doing that? How does the data support this?

### ■ Convenience makes money

The big trend isn't on-line or discounters, in £ terms it's convenience. And on-line doesn't make money, convenience does. Make sure you look at the profit value of the shift (not just its noise). Justin also added, in the UK discounters are at least in part convenience stores.... Do we really understand the convenience channels (and missions) as well as we need to?

### ■ Keep a "real world" perspective

When thinking about new tech, it's imperative to keep a "real world" perspective. If the promise is too good to be true, it is. Google may bring a customer to the store for 25% of the incremental spend, but without building a long-term relationship with that shopper, it can't make money. With this in mind, how do we properly evaluate the long term incrementality of activity?

Justin's talk was full of incredible insights into the retail industry, and any advice from him is sure to help us think differently about our businesses and our processes. What's clear from Justin's talk and the rest of our experience at Omnishopper is that it's crucial to keep the shopper at the forefront, while creating genuine value for all parties. Good business models, values and loyalty will support the market moving forward. If you want to discuss any of the points listed above, or would like to enquire about how Shopper Intelligence can help you to uncover objective information about how shopper think, behave and make decisions, contact us here.



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