



Picking up more often

That's the challenge so many of us face - how do we make sure we optimise sales opportunities and get the greatest return for our effort? Consumer behaviour experts, Clutch, explore the answers.

Much has changed in the off-premise landscape with the entry of many new trading banners, an onslaught of national chains and the increasingly battered independent bottle-o fighting to compete.

When you look at the demands that the Australian consumer places on the off-premise channel, the chicken and egg argument is firmly in place. The expectation of consumers has been shaped by the aggression of many retailers and the constant trade offs consumers make between service, convenience and price.

In the end, these expectations shape the very nature of demand in the channel. There are those consumers who opt for big box retail in favour of their range and price, those that enjoy the convenience and community aspect of their local bottle shop and those dedicated to the experience of driving through to quench a thirst.

So what?

The implications of you knowing the difference are purely financial. If you are a manufacturer or distributor the cost of misplaced stock is

both economic and relationship based. For the marketer, misaligned support is wasted effort and money. This waste is not usually due to the retailer's inability but rather a lack of clear direction and understanding of which market they are in and the expectations of their customers.

Any successful retailer will tell you that the key to building a business is to:

1. Know what you are good at;
2. Know who you are good at it with; and
3. Improve the proposition, consistently over time.

So who are some of the different consumers?

We've had the opportunity to analyse the demand catchments of 9321 retailers across Australia and here is the answer.

The analysis uncovered three clear consumer demand profiles that have a measurable level of influence over trading performance. For the purposes of simplicity these consumer demand markets are referred to as Leaders, Finders and Followers.

Leaders

Characteristics and Attributes of <i>Leaders</i>	
Brand	Seek a superior and quality brand
Range	Looking for good value for money and a range of choices
Product Usage	Will tend to be buying for entertaining and social interactions
Price	Savvy consumers, who will pay for quality, but know a margin stretch
Promotion	Offer an exclusive experience for them or to share with friends

Number of Aligned Outlets in Australia to <i>Leaders</i>			
	Independent	Integrated	National
# of outlets (Metro Australia)	329	2,556	323
# of outlets (Non Metro Australia)	35	756	28

The Retail Outlets Best Aligned to <i>Leaders</i>	
Independents	Cellarbrations, Liquor Barons, Porters & IGA
Integrated	Booze Bros, Pubmart &, Sip n Save
National Chains	BWS, Liquorland & Vintage Cellars

Finders

Characteristics and Attributes of <i>Finders</i>	
Brand	Seek a superior and recognised brand
Range	Looking for high profile and/or quality alternatives
Product Usage	Will tend to be buying for social events & home consumption
Price	Attracted to specials and will often buy in bulk
Promotion	Offer price or “try before you buy” incentives

Number of Aligned Outlets in Australia to <i>Finders</i>			
	Independent	Integrated	National
# of outlets (Metro Australia)	246	909	217
# of outlets (Non Metro Australia)	31	624	26

The Retail Outlets Best Aligned to <i>Finders</i>	
Independents	Chambers Cellars, Bottlemart & Liquorstop
Integrated	Bottlemart, Liquor King & Liquor Stax
National Chains	Dan Murphys, Woolworths & Safeway

So what can you do now?

When you know which consumers you need, your off-premise sales and marketing efforts become simple. Not only can you align the brand, price and promotion but you have a clear list of priority retail outlets that will give you maximum sales.

As a manufacturer or distributor, the end result is about making sure that you are getting the most out of your field sales force; selling the right products, to the right retailers, with the right promotional support.

As a retailer, it's about ensuring that what you stock is directly aligned to who you are good at selling to.

You want to sell more and this is a clear path for making sure you know what, where and how - removing the guess work and giving you better sales, faster.

Research cited in this article has been provided by Dr Colin Benjamin of the Horizon Network.

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