

Conversion Marketing for FMCG Retail

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"Half the money I spend on advertising is wasted; the trouble is, I don't know which half."

*– A popular quote generally attributed John Wanamaker
US department store merchant (1838 - 1922)*

The above quote emphasizes a major problem of marketing i.e. ROI. Despite of spending millions and hiring an army of associates, marketers realize that the returns on their marketing investments were not worthy. And they are unable to relate sales to various channels of marketing used by them.

Conversion Marketing is a very common phenomenon in online retailing for efficient conversions. But I think it can do wonders if it is applied in context of physical retailing, especially for brands dealing in necessities (FMCG).

Brand Ambassadors, T.V. Advertisements, Outdoor etc are costly yet effective way of gaining Brand Awareness. But it is equally tough to calculate returns from them. Though a consumer might get aware of your brand through this media but it won't be a unique one. As your competitors will also be using equally famous ambassadors and similar advertisements; it will result into a clutter. An average human mind is not capable of retaining such clutter. So, you can imagine fate and return of such investments.

Imagine a customer who wants to buy a shampoo is standing in front of a gondola in a super market. He notices that there are four brands of shampoo on the shelf and he is aware of all of them through advertisements. At this point of time his purchase decision won't be affected by whether Madhuri was in its promotion or Aishwarya (no wonder companies have paid them a lot). Rather factors like price, content, schemes, packaging etc. will decide what will go into his cart. So, it's worth spending on marketing activities which might results

*into conversions at the moment of truth. Brands need to identify what motivates a consumer at floor to select or deselect a product. They need to come up with marketing strategies to remind consumer who is just going to make a purchase that their product is the one they should buy. This POP Marketing will increase their conversions tremendously and is the base of **Conversion Marketing**.*

Conversion Marketing refers to activities involved in motivating customer standing against shelf to drop your product on cart, which will ultimately improve conversions. It works in sync with other processes of company, bringing overall efficiency. For instance, to offer cheaper price or a discount, company need to ensure that it eliminates wastages and other avoidable cost to pass on benefits to consumer. It's a strategy which increases sales dramatically without much investment. So, we can imagine ROI of such marketing.

On the other hand engaging a brand ambassador or a television advertisement is a costly as well as less effectual media. As clutter on television is increasing with number of advertisements and channels and again same faces on multiple promotions, effectiveness of such media is depleting.

A brand may also suffer from changing perception of people on famous personalities from time to time. For instance take case of Binani Cements where Big B (Amitabh Bachchan) was brand ambassador. They have decided not to renew their contract with Big B (Amitabh Bachchan) and stop the advertisement soon. This was triggered after the conflict between Maharashtra Navnirman Sena (MNS) and Bachchan Family on Marathi-North Indian issue, which resulted into tearing of posters, hoardings and blacking of signboard behind BEST buses featuring Big B in Binani Cements advertisement. In India such shift in celebrity image happens often. So, we can imagine the fate of such investments.

I am not suggesting that one should not spent on these expensive marketing channels as they help substantially in creating awareness. But keeping in mind the risk associated with them, it's worth spending in Conversion Marketing which is low risk, high return and low cost technique.