

3MG644
Product Brand Marketing

Trade marketing
Category management
Shopper marketing

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New functional units in the interface of sales and marketing departments

Trade marketing

Category management

Shopper marketing

- First mentions in the literature and business practice in the 1980s and 1990s
(e. g. Dewsnap & Jobber, 2009)
- The literature still doesn't offer exact definitions and practitioners use different names for these functions
- Manufacturers have not yet found their optimal organizational integration (within or outside of marketing or sales department)

Trade marketing + Category management + Shopper marketing

- Help to create long-term cooperation between marketing and sales department and their business partners
- Required by the significant changes that took place in the relations between retailers and manufacturers in the consumer goods industry (*Dewsnap & Jobber, 2009*):
 - A process of concentration of the retail market
 - Strong reduction of smaller independent stores
 - Increasing influence of large retail chains

Trade marketing

- Main goals:
 - To develop cooperation between manufacturers and retailers in order to increase sales results on both sides (*Cespedes, 1993*)
 - To fulfill the need of the retailer not the end consumer (*Cespedes, 1993*)
 - To ensure that the needs of the retail chain are reflected in the manufacturer's marketing mix (*Kotler et al., 2007*)
 - To implement brand marketing activities at points of sale (*Jesenský et al., 2017*)

Trade marketing

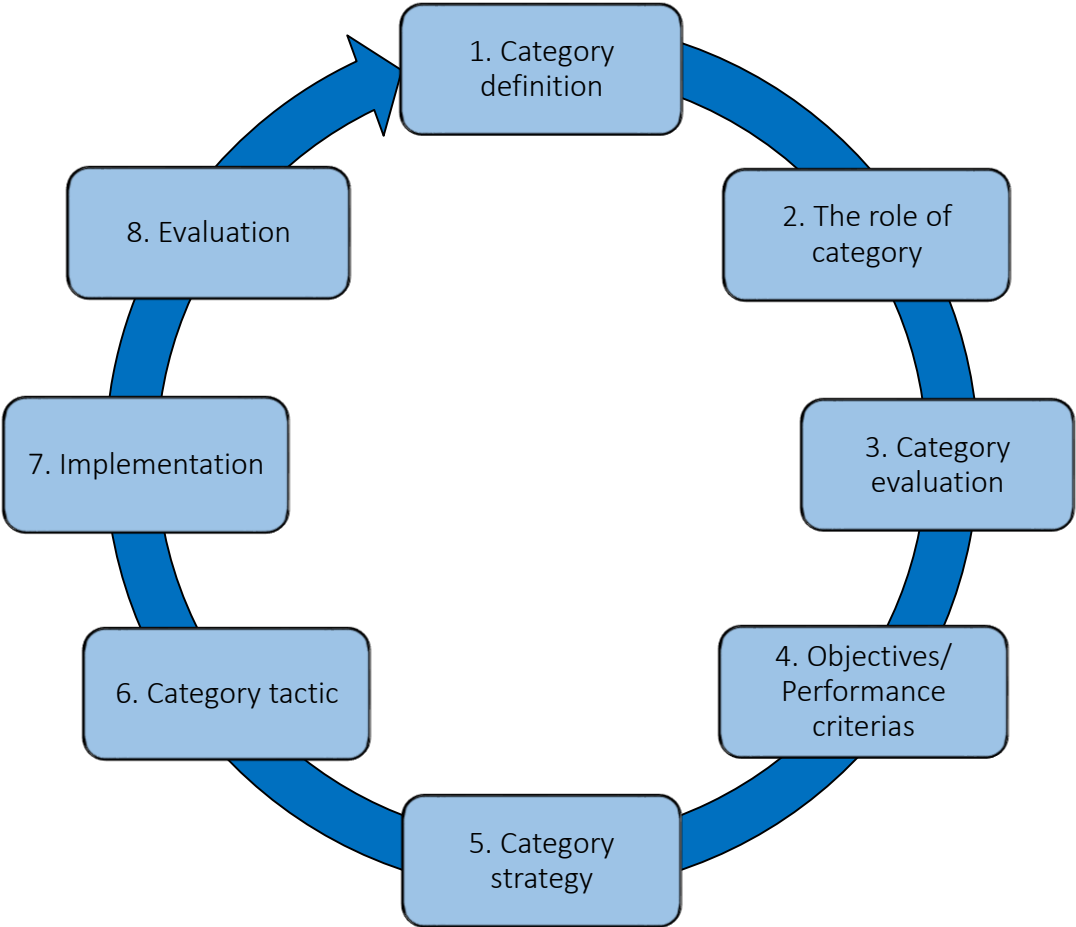
- Main activities (*e. g. Cespedes, 2003; Thain & Bradley, 2012*):
 - Creation of sales support activities tailored to specific customers, including communication materials
 - Directing the planning process on the part of brand management and key account management in relation to the needs of the chains
 - Preparation and management of the activity plan and budget for point of sale support
 - Implementation and evaluation of support activities at the point of sale
 - Communication of feedback from the chain to brand management

Category management

- Main goals (Dupre & Gruen, 2004):
 - To manage specially defined product groups (=categories, e. g. chocolate tablets) within manufacturer's portfolio
 - To increase sales results and competitiveness of a certain categories in specific retail chains
 - To increasing consumer value of a certain categories
 - To build long-term cooperation and trust between manufacturer and retail chain (deep knowledge and data exchange)

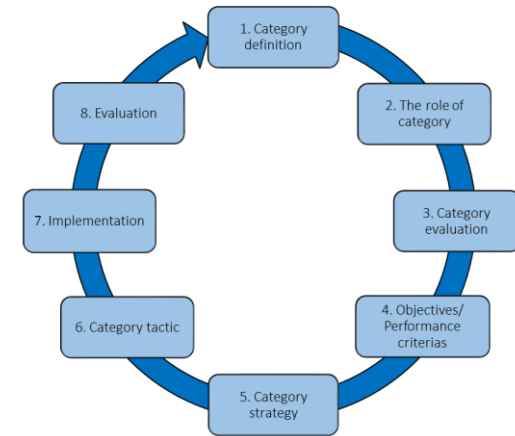
The 8 steps of Category management process

(Karolefski & Heller, 2006)



Category management process

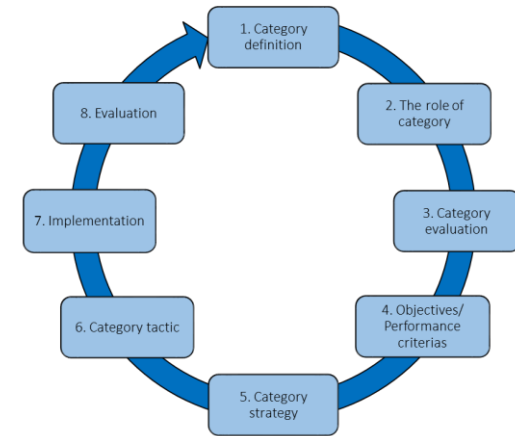
(Karolefski & Heller, 2006)



1. The definition of a new category
 - The determination of a separate group of products perceived with the same, similar or complementary benefit.
2. The definition of concrete products within the category and their arrangement on the shelf
 - The definition of decision moments in the shopper's mind during purchasing and moving around the store.
 - The role definition of the given category within all categories of the retailer
 - According to contribution to the turnover, profit, retailer's image (traffic builders, routine category, seasonal category, convenience category, complementary category) (Zamazalová, 2009)

Category management process

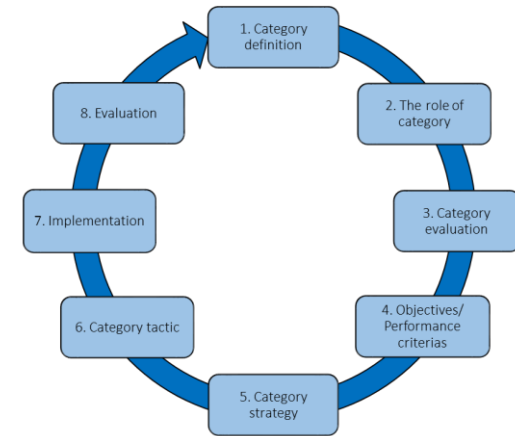
(Karolefski & Heller, 2006)



3. The evaluation of the current and planned performance of the category
4. The retailer and the supplier determine the goals for each category and define methods for measuring category performance
5. The definition of the strategy for individual categories (marketing strategies, sales strategies, supply strategies)

Category management process

(Karolefski & Heller, 2006)



6. The definition of relevant tactics to fulfill the defined strategies
(e. g. composition of the assortment, price decisions, display methods)
7. The implementation of defined plans, strategies a tactics
8. Monitoring, control and evaluation of the entire processes

Shopper marketing

- Main focus: Shopper and its motivation and shopping behaviour
 - Shopper marketing - a process of planning and implementation of marketing activities that influence the shopper from the first purchase experience with the product to repeated purchases and recommendations (*Shankar et al., 2011; Jesenský et al., 2017*)
- A new integrator of marketing and sales functions
- Focused more on manufacturer's perspectives than retailer's one
- Usage of typical brand management approaches (e. g. segmentation, market research)

Shopper Journey

- The most important tool of Shopper marketing
- Define and monitor possible stimuli for purchase decisions
- Define places (touch points) ideal to influence shoppers with various communication tools (*Jesenský et al., 2017*)
 - at home
 - on the way to the store
 - outside the store
 - in the store

Shopper marketing

- Main activities (*e. g. Shankar et al., 2011; Desforges & Anthony, 2013; Jesenský et al., 2017*):
 - Conducting shopper surveys
 - Creating a shopper segmentation of the shopping customers and aligning with the segmentation carried out by the retail chains - to ensure an identical view of the shopper
 - Generating shopper insights from research results and (sales) data given by retailers
 - Developing marketing and sales activities based on insights and align them with the retailer's needs
 - Deep cooperation with retailer's marketing department
 - Deep cooperation with manufacturer's marketing and sales department (*e. g. discussing shopper insights with brand management and implementing them into company processes*)

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