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Q: How does Shopper Marketing influence your in-store strategy?

A: Shopper marketing which includes targeted messages to individuals who will value them most, thereby improving the overall shopping experience, has become increasingly important for LG Electronics MobileComm U.S.A, Inc. (LG Mobile Phones). Our ultimate goal, as it relates to the point of sale, is to build brand affinity through brand knowledge and as an end result to ultimately drive sales. In an effort to appeal to today's shopper, the in-store experience has proven to be a valuable advertising medium. Although the majority of shoppers in the mobile phone market do conduct their own independent research, we find that most shoppers still choose to use their in-store experience as another vehicle to educate them during their purchasing intent. Many times shoppers find the point of sale material to be unfulfilling and inconclusive. I'm sure many of us have personally experienced this. Based on Nielsen Mobile data, wireless penetration (owners of a mobile phone) for ages 18 and up in the U.S. is 86% (source: Q4 2007 Mobile Insights – US).

“...shoppers compared buying a mobile phone to the stress of buying a new car.”

While considering handsets to purchase, shoppers often find themselves faced with questions they can't seem to find the answers for such as, “How does this phone compare to a similar handset offered by another manufacturer?” It can get quite frustrating and confusing to say the least. In fact in one of the studies we conducted, shoppers compared buying a mobile phone to the stress of buying a new car. It is our job as Brand Marketers at LG Mobile Phones to address these questions and concerns through our in-store presence.

At LG we address POP leadership in five key steps:

- Understand the target segment
- Create brand strengthening point of sale materials to address segment and LG brand identity
- Test and refine
- Deploy
- Post program analysis.

Using our consumer segmentation models, we have developed key insights within the different shopping patterns as well as key passion points for each shopper segment based on the product offering. The importance of point of sale materials differs as each

segment reacts differently in-store. The more insights you have about the shopper at the creative stage of your project, the better your chance of reaching your ROI objectives and improving your program.

In a market where shoppers think in terms of feature sets where many handsets may seem almost identical, point of sale materials can play a key and very important role in differentiating our product from our competitor's products. Whether through permanent or non-permanent displays, the needs of the segment based on look, feel and messaging must be addressed and met. Utilizing Shopper Marketing principles we have achieved this differentiation with some of LG Mobile Phones' recent product launches such as Chocolate™ by LG, Rumor™ by LG, Shine™ by LG and Venus™ by LG. These display launches have been successful due to the fact that we developed clear messaging, creative and incorporating differentiators into the POP execution such as: voice chips, foils, textures and LEDs.

As a brand marketer, we strive to develop creative point of sale materials to balance the visual needs of the retailer as it relates to their store layout, but also keeping in mind the visual and emotional needs of the shopper. This in turn we believe will drive purchase intent. To ensure success LG Mobile Phones conducts qualitative and/or quantitative testing of the display concepts to measure if the needs of both the retailer and the shopper are being addressed. All feedback, positive and negative is viewed as an opportunity to strengthen our concepts.

The logistical efforts that are needed to ensure your valuable point of sale materials get to the stores and set-up properly should not be overlooked. Forgetting to include fulfillment and shipping costs in the overall budget could prove detrimental to your program. I can relate to that.

At the conclusion of your program, be sure you make time to review the initial objectives, gather results and learn as much as you can prior to the next project. This will help your next POP project go from ordinary to extraordinary and will help give your shoppers an exceptional in-store experience.

In a market that's forever changing at a rapid pace and which offers such an important and personal device, it is essential for us to develop a deeper understanding of the shopper experience and connect with them at a level never seen before in our industry. With the focus of our talented in-store partners and leadership of our gifted internal team we are well on our way.

If you would like to contribute to our ongoing dialog about important POP Topics please email Matt Baker: bakerm@amdpop.com



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