

If liquor is going dark, where's the light from in-store?

In South Africa, liquor retail is only geared for destination purchases. You're either looking for your brand or a good deal in a specific category. Whichever the case, it's a quick entry and exit for the shopper. With impending legislation, you'd think liquor would follow other retail verticals where the store is the medium and start encouraging cross- and up-selling but this is not the case.

 By [Jason Fichol](#) 11 Feb 2013

Retailers are leaving a lot of money on the table. Two separate studies that my previous teams were involved in show that if one could delight shoppers in this channel, most categories could enjoy 20% or more growth. The opportunities are massive, yet retailers follow the same rigid formulaic approach when it comes to liquor store layout, merchandising and shopper communication. This may be aesthetically pleasing and reduces shopper angst but this does little to enhance the overall shopper experience.

Retailers and liquor brands do a tremendous job before shoppers enter the store, whether it's price promoting revered brands on circulars or maintaining awareness above-the-line. But again they're promoting destination purchasing and probably targeting only two-thirds of the main behaviours that liquor shoppers exhibit. Sadly this approach is repeated in store.

Choice

Of the six liquor shopper behaviours I have been exposed to, two are centred on shoppers who are looking for a more enriching and interactive experience in store. These are typically the experimentalists. They're either looking to be inspired and/or for better/new choices. If we also add the dynamic that these aren't shopper segments, rather different behaviours that a shopper exhibits depending on the category they're in, the opportunity becomes exponential.

A category in dire need of intervention is wine. It's not enough to demarcate by varietal. Studies and experience also show that retailers are offering too much choice (see [paradox of choice](#)) and not enough shopper direction/information when it comes to this category. This leaves shoppers dazed, confused and overwhelmed; often exiting the category without a purchase.

Up-sell, up-sell, up-sell

Lastly, liquor retailers are neglecting the potential up-sell when it comes to different shopper missions and occasions. There is a ripe opportunity to offer day and week-part shopper marketing solutions that can increase overall basket size. Consider habitual, escapism, unwinding, courtship, family occasions and socialisation. Intertwine these with shopper behaviours and there's a plethora of opportunity. Especially in light of liquor going dark.

On the right track

Liquor retailers are getting one thing right. For those quick in and out, destination purchases, shopping is easy. You can quickly navigate via good aisle demarcation and logical merchandising. But there's more to do. Shoppers also want a more elevating shopping experience that is informative and more rewarding. So

what can retailers do?

The first is to maybe consider what [Herb Sorensen](#) posited for grocer retail - creating two stores or purchase loops in one store. One for the destination shoppers and another for the browsing experimentalists.

The second is to re-engage with category captains and lieutenants who I know have invested hundreds of thousands (if not millions) of Rands in shopper research, category solutions and strategic shopper plans over the last five years with little execution success. Pilot some of these programmes in a few stores and if successful, roll-out nationally.

This takes weighted responsibility on both sides; doing what's best for the category and not subjecting solutions to over-elaborate, vain and impractical executions.

If liquor is going dark, we can find the light from in-store. Arguably this will be the most important medium in the communications mix if government turns off the lights. And if not, who couldn't do with additional double digit growth?

Please note: These views and opinions are my own and not those of my employer or customers.

ABOUT JASON FRICHOL

My passions are shopper marketing, consumer packaging, visual merchandising, ideation, bankable innovation, integrated marketing, tangible ROI, and execution efficacy. My motto is, "Passion and persistence will get you everywhere." I strive for simplicity, practicality and information frugality.
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