

In a global world Australia is going local

Retailers and manufacturers are beginning to take note of consumer demands for more relevant shopping experiences and products more attuned to individual needs.

In the fast changing world of retail, localisation of brand relationships and offers represents both a major challenge and enormous opportunity for the industry. Despite the perceived benefits of globalisation, driven primarily by the quest for economies of scale, there is a seismic shift to localisation.

Some of Australia's largest companies are planning increases of up to 60 per cent in their budget allocation for localised marketing, according to a recently published report by Monash University's Australian Centre for Retail Studies (ACRS).

Commissioned by brand and sales activation agency Retail Safari, the study explored the growing phenomenon of local and personalised marketing in a rapidly evolving and channel-saturated retail landscape.

ACRS Research Director Sean Sands said the implications for companies were clear: developing strong engagement at local community and individual levels was a must.

"Localisation is no longer just about customising creative messages and running a few local promotions, but has to integrate and involve all channels and touch points," Dr Sands said.

"Fundamentally, there needs to be a paradigm shift in the way marketers develop strategies for acquisition and sales."

Consumers are becoming tired and sceptical of the 'sameness' and homogenisation of markets, media channels and brand experiences globally, according to Retail Safari Managing Director Gindkai Tan.

"In an increasingly connected world, information-driven consumers want retailers to provide products and services that are 'right for me' and meet their individual needs," he said. "This means experiences that meet expectations locally and culturally, and are relevant in terms of level, frequency and intimacy between consumer and retailer."

Consumers are placing increasing value on authenticity and what they regard as 'genuine'. Local communities, friends and family are regarded



Retail Safari
Managing Director, Gindkai Tan.



as more reliable than virtual acquaintances. With more information at their fingertips, consumers have become better at spotting the difference between what's real and fake, reliable and unreliable, in brand relationships and product and service quality.

This desire is also driving demand for local produce.

"Consider the results of a recent Nielsen survey which found that one out of every two consumers in this country say they prefer to buy Australian rather than global brands," Mr Tan said. "This is higher than for any other region in the world."

"We're seeing the rise of the independent 'locavore', while several retail chains are also trying to emphasise their community connection and support through the power of local sourcing. This type of community-led sourcing is what will create loyalty with shoppers in the local area."

Brands increasingly are recognising that localisation is essential to business growth. The challenge is to find ways to better adapt their marketing content, consumer engagement activities and messaging.

A 'best in class' example of consumer engagement in a

local environment was a recent program Retail Safari conducted in association with Lion. The objective was to give supermarket shoppers greater confidence and knowledge in purchasing specialty cheeses, increasing usage occasions' base-line sales at their local store.

To emphasise the local flavour, Retail Safari created a welcoming 'farmers market' atmosphere where shoppers could relax, learn, taste and purchase. A range of sensory stimuli was used. Apart from the ability to touch, see and taste products, recipes were brought to life even further via mini tech screens showcasing how easy they were to replicate at home.

"Store selection is based on a host of factors, with a focus on educating and rewarding new or lapsed consumers in the local area by introducing them to a new experience," Mr Tan said.

"The program was judged a huge success, with hundreds of thousands of local customers converted to consumers and even advocates of specialty cheeses."

Another example is when retailers need to develop localised marketing campaigns for their new and renovated stores. One

of Australia's largest retailers engaged Retail Safari to develop a store opening program for metro and regional areas that aimed to increase awareness of the stores and community engagement as well as driving sales.

To achieve this, Retail Safari tapped into the needs and desires of the local community for each store. A particular store launch was designed around an interactive Christmas-like theme as the local community was mainly comprised of couples with children.

Coinciding with the Christmas shopping period, two interactive zones, inside and outside of the store, were created.

"A larger than life red Christmas gift box was positioned at the entrance of the store. Consumers interacted with the box and were rewarded with a special gift," Mr Tan said. "To engage with children as well as heighten the festive atmosphere, a face painter, balloon artist and a lolly bar created in the theme of the retailer were used to attract customers of all ages."

"These proved a strong drawcard for the local community to engage and build trust and loyalty between the customers and the retailer's brand. This campaign activity exceeded its forecast sales and resulted in an overall ROI conversion rate of more than 11:1."

Mr Tan said the Retail Safari service structure was designed to get brands up close and personal with their customers, whether this involved supporting their distribution channels or having direct consumer engagement.

"The research we conducted with the ACRS clearly points to a need for Australian businesses to recognise this rapid convergence on the local, the social and the individual."

"While digital capabilities and online shopping are expanding buying options, Retail Safari believes the physical store will remain a critical channel. Not only does it represent the intersection of most touch points, the fact is that people still enjoy the physical and social experience of shopping." ♦