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# SHOPPER MARKETING AS A WAY TO IMPROVE COMPETITIVENESS IN THE WESTERN BALKANS REGION

## Shopper marketing kao način unaprijeđenja konkurentnosti na tržištima Zapadnog Balkana

### Summary

In the past decades a shift of power from manufacturers towards retailers occurred. Following this path, many significant changes took place in the business conduct of companies involved in the consumer goods industry. In the last decade, however, power shifted from retailers to shoppers. On the heels of this change, among other things, Shopper Marketing was created. The term was first officially presented at the FMI (Food Marketing Institute) conference in 2004. Shopper Marketing is striving to improve business operation through simultaneous advancement of sales and improvement of brand performances. By adopting such concept, managers not only wish to work more on the improvement of their brands but they also wish to do it better, in a more efficient manner and with high quality. For that reason, Shopper Marketing has become a practice not only in developed markets but also in the regional markets. This paper deals with the presence of Shopper Marketing in the markets of the region, its benefits for the companies which adopted it as well as the expectations about future development of the concept in the markets of the Western Balkans.

**Keywords:** *shopper marketing, retail, shoppers, consumers*

### Sažetak

U decenijama koje su iza nas, došlo je pomjeranja moći u lancu vrijednosti od proizvođača prema maloprodavcima. Tragom ovih dešavanja, nastale su značajne i brojne promjene u odvijanju poslovanja kompanija uključenih u industriju robe široke potrošnje. U zadnjoj deceniji dešava se pomjeranje moći od maloprodavaca ka kupcima. Tragom ove promjene, između ostalih, nastao je Shopper marketing. Prvi put termin Shopper marketing je zvanično predstavljen na FMI (Food Marketing Institute) konferenciji 2004. godine. Shopper marketing nastoji da unaprijedi poslovanje kroz istovremeno unaprijeđenje prodaje i unaprijeđenje brend performansi. Usvajajući ovaj koncept, menadžeri pored toga što žele da rade više na unaprijeđenju svojih brendova, žele da to rade i bolje, kvalitetnije i na efikasniji način. Zato se posljednjih godina, kako na razvijenim tržištima, tako i na tržištima regije, sve više počinje praktikovati Shopper marketing. Ovaj rad će se baviti zastupljenošću Shopper marketinga na tržištima regije, koristima koje iz njega proizilaze za kompanije koje su ga usvojile, kao i očekivanjima o budućem razvoju ovog koncepta na tržištima Zapadnog Balkana.

**Ključne riječi:** *shopper marketing, maloprodaja, kupci, potrošači*

## Introduction

It has recently come to the fore through various types of marketing research that there is a significant difference among factors which influence shopping, even if the consumer and the shopper are the same person. A person in the role of a consumer often has different motivations from (frequently the same) the person in the role of a shopper.

Very often a shopper as an individual exhibits different behavior in different shopping categories. In one product category a shopper may be extremely loyal to one brand (i.e. baby food), whereas in other category the orientation may shift towards the choice of products with the lowest price (i.e. baby wet wipes).

In the marketing research, participants may say that they prefer premium brands while in the actual decision making during shopping they decide in favor of a cheaper brand. A reason behind this is the fact that one person is differently identified as a consumer and as a shopper.

This is also confirmed by the statement of Chris Hoyt, pioneer of Shopper Marketing, who stated: "Brand managers have to realize that it is not important how much they spent to build the brand; when the shopper is in shopping mode, it changes" [10, p. 29].

Besides such differing identification, shopping barriers are important factors for diverging attitudes in the consumption mode and behavior in the shopping mode. For example, if the consumer has a desire for a specific product, during the shopping trip a shopper can find the following shopper barriers which could diverge his(her) actual behavior: limited distribution of that product, product being out of stock in retail store, high price of that product, hard to find on shelves, promotion of competitor's product, etc.

When these insights were accepted, it became clear that the process which starts with the consumer and ends with the consumer had some other building components. When analyzed, it is possible to identify the following components: a consumer who actually uses the products and/or services, a shopper who buys the products and/or services, a retailer who acquires the products for further sales.

The Shopper Marketing framework includes activities which influence increase of sales, but they also influence building and improvement of brand image. Until recently, such thing was virtually unimaginable. Marketers mainly took care of the brand improvement and retail-oriented staff focused on the sales increase. However, as BTL (below the line) budgets grew [10, p. 16], it became evident that the activities financed through this budget often harmed the brand image in a way to decrease the perceived price point and erode loyalty to the brand with frequent and deep promotions. For that reason, attempts were made to find a solution to influencing the increase in sales and improving the brand image with the same budget. The solution was in Shopper Marketing activities. For this particular reason, fast increase of investment in these activities took place and Shopper Marketing gained improved significance in the management circles [38, p. 159-160].

## Conditions that led to the emergence of Shopper Marketing

*Media fragmentation* led to difficulties in effective media investment. Namely, hand in hand with the proliferation of media channels and occurrence of digital media possibilities, the work of any media strategist became more complex. In the past, there was a dominant television channel which had the biggest outreach to world audiences. If any brand was oriented to wide audience, the choice was simple – television. In the process, the only decisions to be made were the ones on the campaign parameters to be achieved and the choice of target population, TV channels, TV shows with different ratings, how to optimize delivered ratings towards entire population (TRP – target rate point), reach, proportion between GRP and TRP (Affinity Index) and others depended on it. Besides television, newspapers and magazines were the second most influential manner of influencing the target consumers, so they were more or less used depending on the strategy employed. However, regardless of low number of alternatives, effectiveness of television has reduced over time. A study has shown that an average American citizen in 65 years comes under the influence of 2 million promotional adverts. The

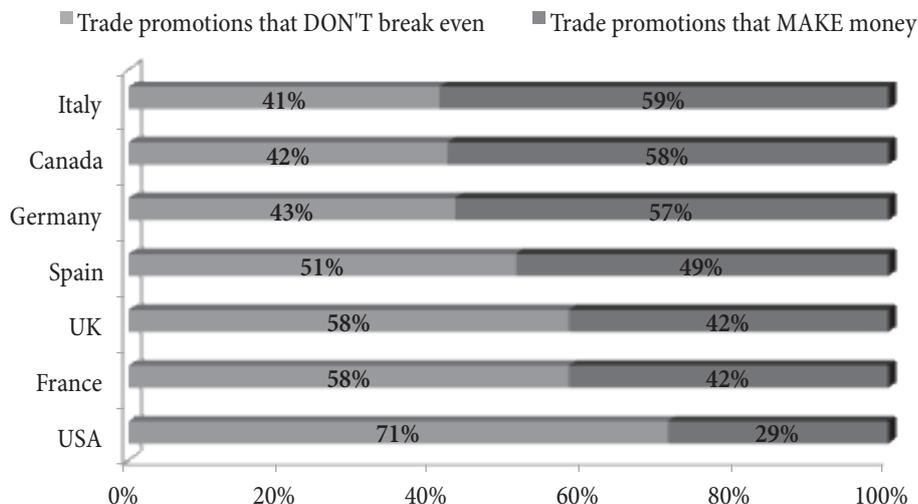
same study has shown that in the 1990, the percentage of remembering promotional messages was 8%, whereas the same percentage in 1965 was 34%. In the same period, expenses of companies for media advertising increased eleven times [10, p. 11]! All of this has significantly changed in the past 20 years. The main reasons behind changes are the digitalization of everyday life and development of digital media channels; and digitalization is accelerated by possession of digital devices such as PCs, tablets, smart phones etc. In a short period of time, smart phones have gained more influence as the world population becomes more accessible via these devices. The estimates are that the influence of these devices will significantly grow in the years to follow. New media channels offer various ways of presenting media content to target audience: web ads, web banners, Facebook Ads, Google Ads, You Tube, direct mailing, QR codes, personalized coupons etc. For example, a You Tube video with the highest number of views in March 2013 had 1.4 billion views, while the most popular TV show in America was watched by just 20.6 million Americans. Facebook states that it has 1.06 billion active users each month who spend an average of 6.4 hours on this web site a month [10, p. 12].

*Increase of investment in activities directed to sales increase* which take place in retail facilities. This is something that has a significant influence on total profitability of FMCG (Fast Moving Consumer Goods) sector. Namely, the growth of BTL investment has become much larger than total sales growth, so the reduction in profit rates occurred. Everyone who deals with this issue reports significant increase of investment into BTL activities, and consistency in reports is evident in Deloitte, Bain and Nielsen which report that there has been a 65% increase in investment in promotion at retail facilities in the past three years. In order to grasp the amount of investment, calculation of global BTL investment follows. According to Herb Sorensen, FMCG is globally worth 14 trillion USD annually. Out of this amount, 8 trillion comes from manufacturers who annually invest about 10% of sales into BTL activities. This means that annual investment of manufacturers in BTL activities is around 800 billion USD [10, p. 16]! It can be concluded from the above-mentioned that the increase in BTL investment

in three years was 315 billion USD! Sad fact is that such amount of investment had no influence on increase in profitability but it led to decrease in profit rates. Average profit rate of the world's leading retailers is only 3% [10, p. 13], whereas average profit rate of 250 world's biggest manufacturers is around 8.5% [10, p. 22]. It is evident from everything above-mentioned that FMCG sector annually invests considerably more into BTL activities than their total profitability is.

*Reduction of efficiency of BTL investment* largely contributed to questioning of marketing and sales strategies. As we have seen, the increase of investment did not bring increase but decrease of profitability. The same happened to ROI (Return on Investment Index). According to recent studies, ROI index in BTL promotions for manufacturers is between 0.55 and 0.65% [10, p. 18]. Bearing in mind the above-mentioned rates of profitability, it is easy to calculate that with this return index manufacturers actually lose money. That means that it would be better for them in a short term not to invest in BTL activities. However, in a long term, that would mean significant reduction in sales and losing the market share, and eventually they would be forced to leave retail shelves. Data also shows that 70% of BTL investment resulted in a loss of money. If we consider the fact that 250 world's biggest manufacturers invest around 280 billion USD in BTL activities, then we can conclude that around 200 billion USD was not a justified investment! This is a very large amount, but if we bear in mind success balance structure, this becomes less odd. We can imagine sales of 100 units of any product which has a value of one monetary unit and which has gross profit of 25%. It leads us to sales of 100 units of the product and 25 monetary units of gross profit. We can also assume that the price is reduced by 10% as promotional BTL activity. We arrive to reduction in sales to 90 monetary units and gross profit to 15 monetary units. It is evident that the reduction in price of 10% created a 40% drop in profit. It is also easily calculated that it is necessary to create increase in sales of 67% in order to achieve the same profit. Having in mind that the average reduction of prices on shelves is over 30%, then it can be concluded that the sales have to be increased several times in order to maintain the same profit as it was before the promotion. That is not

Figure 1: Share of profitable and non-profitable trade promotions per market



Source [31]

easily achieved<sup>1</sup>. Ratio of profitable and non-profitable trade promotions differs according to markets, which is presented in the following figure.

*Increased influence of retail outlets on shopping decisions* is definitely the most influential for the increase of the above-mentioned investment into BTL activities. Simply, marketers were guided by the data on the increase of percentage of decisions made in retail outlets and accordingly increased BTL budgets each year. POPAI, a global association for retail marketing, was established in 1936 and it states that 70% of brand-oriented decisions are made in a retail outlet [38, p. 150]<sup>2</sup>. Moreover, this was done by majority of FMCG participants, so the entire industry shifted to a higher investment level, which meant greater promotional diversity for the consumer. Consumers quickly adjusted to the higher scope of promotions and oriented more towards shopping on promotions. It led to reduction in consumer loyalty, which had devastating effect on FMCG.

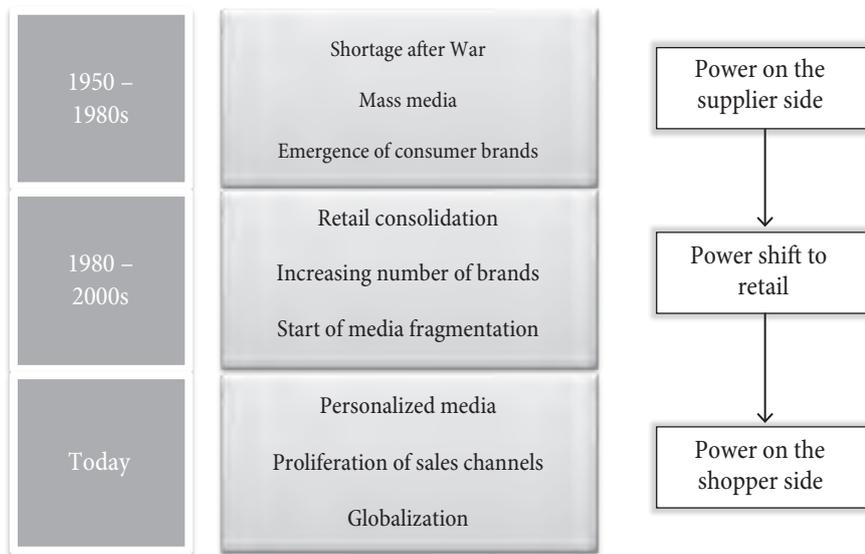
1 For the purpose of easier calculation of how much is necessary to increase sales during promotion, we can use the following calculus: from gross margin (25%) reduce percentage of reduction in price (10%) and then divide the margin with the number you got for a result  $(25-10=15; 25:15=1.66)$ . The obtained result shows by how many times (in this example it is 1.66) you have to increase the sales in order to achieve desired profit.

2 A number of practitioners started to oppose this data when it was released. Afterwards, similar data was obtained through other studies which eventually became the guideline for increase in investment to BTL activities.

*Power in supply chain shifts to shoppers.* During the 1960s, traditional brand management was the prevailing practice in the developed markets [5, p. 309]. At the time manufacturers were dominant. Also, supply was smaller than demand, so manufacturers were able to sell everything they produced. It gave them comfortable position in relations with partners and they dictated the conditions. Since the beginning of 1980s, a surplus in supply has started and retails have grown bigger, which reduced significance of manufacturers. In that period, the power in the supply chain started to shift to the side of retailers. This was significantly aided by technological innovations such as bar codes, changes in marketing channels and concentration of capital on the retail side [5, p. 309]. With the development of private trademarks by many larger retailers, this power firmly stayed on their side. However, as the Internet developed as a sales channel, the change took place as well. Now, retail is not the only option for buying certain products. Now they can be bought online. A large number of product categories can be bought worldwide and received at home address by mail (for certain categories of products, though, still not possible). That is how our local retailer experienced reduction of power which shifted to shoppers who have the budget and want to make the purchase.

*Increase of number of options for the shopper,* which leads to the reduction of purchase termination. It is called

**Figure 2: Power shift in the supply chain**



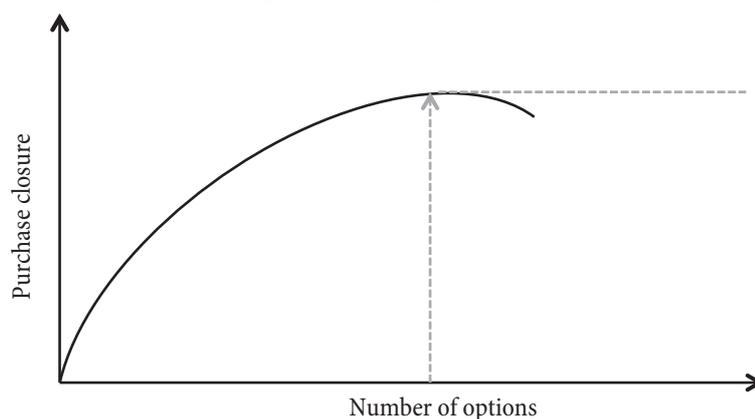
Source [38]

the choice paradox and it describes the situation when the number of options for the shopper increases over certain limit, which leads to the reduction in number of purchased products. Choice paradox is about the number of available products and not the increased number of promotional offers and it is also about the increased number of channels where purchase can be made. All of the above-mentioned influences the consumers in a manner that they spend more time on the evaluation of the offered, so they eventually have lower number of real purchase.

Having in mind everything stated, it has become clear that it is necessary to search for new sources of competitive advantage. As current way of business operation ran out of most of its potential, it was necessary to consider new

possibilities and offer new leverage. Some have started to have holistic approach to this challenge through potential defining of the current business model. In such deductive observation of the process from the moment when the desire/need for the product occurs, through the process of shopping to product evaluation, it was noticed that there were certain differences between product and/or service consumers and shoppers of the same products/services. It was noted even in cases when the consumer and the shopper are the same person. Considering the fact that the industry, primarily the manufacturing part, focused on consumers up to that moment, potential for improvement through better understanding of the role of a shopper in the entire process was recognized. It was

**Figure 3: Choice paradox**



Source [38]

understood that whatever applied to a consumer mostly did not apply to the shopper in an opportunity to do the shopping. The reason is that the consumer and the shopper have different motives and behavior when assuming these two roles. Since there was a lot of research performed about the consumers, it was understood that it was necessary to make an extra effort to understand the shoppers and their motives and behavior.

### Field of performance and definition

Shopper Marketing, as a part of buyer management [4, p. 144] has a scope of activities which influence the increase in sales and simultaneously influence development and improvement of the brand. Until recently, this was unimaginable. Marketers mainly focused on the development of brand image and sales-oriented staff took care of the increase in sales. However, as BTL budgets grew it was concluded that the activities financed with this budget often harmed the brand image. Therefore, it was necessary to find a solution how to influence the sales increase and improve the brand image with the same budget. This was achieved with Shopper Marketing activities. For that very reason, a rapid increase in investment growth for these activities occurred as well as significance of Shopper Marketing in management circles. Field of performance of Shopper Marketing is presented in Figure 4.

Sudden increase of significance of Shopper Marketing activities is largely conditioned by the fact that it allows reconciliation of seemingly opposing sides: increase in sales through BTL activities and brand improvement through BTL activities.

In defining Shopper Marketing, some authors focus on the act and process of shopping itself. Other authors, in addition to the shopping and the role of shopper, also put accent on the role of the consumer. There is also a group of authors which have a wider view of Shopper Marketing and they consider that its primary mission is in the change of behavior of shoppers and consumers. Some authors in their definitions stress out the role of creating the knowledge about the shoppers, while others put accent on the role of marketing mix.

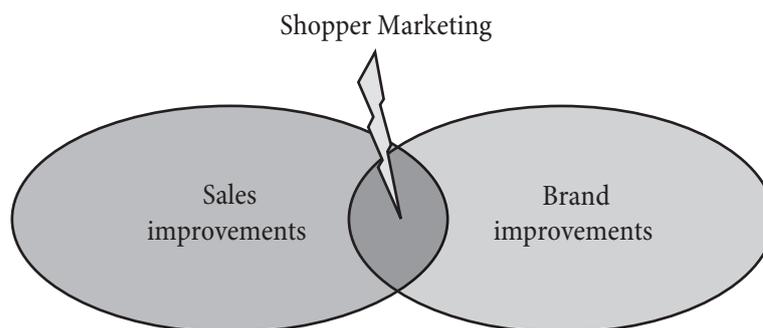
Toby Desforges and Mike Anthony in their book *“The Shopper Marketing Revolution”* give the following definition: Shopper Marketing is systematic creation and application of marketing mix elements created for the purpose of achieving positive change in the shopper’s behavior and cause consumption of certain brand [10, p. 36].

Deloitte Research defines Shopper Marketing as engagement of any marketing stimulus developed on clear understanding of shopper’s behavior created for the purpose of building the brand image and shopper engagement which leads to purchase termination [32, p. 1].

There are much wider definitions like one provided by Shankar, who states that it is planning and execution of all marketing activities which influence the shopper throughout and after the entire path towards the purchase, from the moment desire to make the purchase takes place through the purchase itself, consumption and repeated purchase and recommendation [32, p. 1].

Retail Commission on Shopper Marketing defines Shopper Marketing as the use of knowledge-motivated marketing and product presentation for the purpose of answering the needs of target shoppers, improving

Figure 4: Field of performance of Shopper Marketing



Source: The authors’ model based on the literature review and research

business results and brand image for manufacturers and retailers [21, p. 7].

Flint, Hoyt and Swift argue that Shopper Marketing is understanding how target consumers behave as shoppers in different channels and retail formats and using that knowledge through strategies and initiatives resulting in balanced benefits for all the parties involved – brands, retailers and common shoppers [12, p. 6].

### Application of Shopper Marketing in the markets of the Western Balkans – research methodology

Research about the achievements in application of Shopper Marketing was conducted from June to October 2015. It was performed by an online questionnaire. The territory where the research was conducted involved the markets of Serbia, Croatia and Bosnia and Herzegovina, since these three markets are the biggest representatives of this region.

An integral part of the questionnaire preparation were in-depth interviews with representatives of multinational companies present in these three markets. Interviews were performed in order to obtain qualitative data which was used for quality preparation of the questionnaire.

The aim of the research was to establish the level of development of Shopper Marketing practices in these three markets. Besides this, we wanted to establish opinions of the industry about the potential of this concept. Through the answers obtained we wanted to confirm or oppose the thesis that there is potential for the development of business operation on the ground of Shopper Marketing

and that there are possibilities to have synergetic effects with other concepts.

Addresses of 5,387 individual respondents in FMCG sector in all three markets were gathered. The first step was to divide these individuals according to markets in order to get the appropriate geographical dispensation. The second step was to divide respondents according to the areas of FMCG and classify them in the following groups: manufacturer, retailer, supplier and other. In the group 'other' there were different agencies which operate in FMCG industry. Following this, the next step was to select respondents from the top management, sales and marketing departments of companies, since people in these sectors should have knowledge about Shopper Marketing. The middle and senior management staff were selected from these three functional areas of companies. At the end, out of 5,387 initial respondents, 220 individuals from respectable companies were selected and asked to complete the online questionnaire. Bearing in mind the fact that the presence and knowledge of Shopper Marketing in observed markets is limited, this number is acceptable and more than sufficient. Expected return rate of completed questionnaires was set 20% in order to be able to determine how representative the base aggregate number was.

At the end of the research, the number of completed questionnaires was 52, which is 26% of the total number. The return rate is satisfactory having in mind the presence of Shopper Marketing practice in three observed markets.

Besides that, we wanted to achieve balance of gathered questionnaires from individual parts of FMCG

**Table 1: Geographical sample dispersion**

	Serbia	Croatia	Bosnia and Herzegovina
Collected questionnaires	36%	29%	35%

Source [38]

**Table 2: FMCG sector branch sample dispersion**

	Manufacturer	Retailer	Contractor	Other
Collected questionnaires	51%	25%	16%	8%

Source [38]

**Table 3: Functional sample dispersion**

	Top management	Sales	Marketing	Other
Collected questionnaires	26%	42%	24%	8%

Source [38]

industry, so we had an equal number of manufacturers/suppliers, retail companies and, as the third group, other respondents in FMCG sector.

The following three tables display the sample of respondents, or how the companies-respondents which completed the questionnaire were divided. The tables will represent geographical division, division according to companies as part of FMCG industry and division according to functional areas within the companies where the respondents are employed.

Within the sample, 48% of the respondents are from the companies present in over 10 markets, 14% is present in 6 to 10 markets, 35% is present in 2 to 5 markets and only 3% of companies is present in only one market.

One of the requirements was also the number of employees in the companies of the respondents, and following answers were obtained: 48% of companies have over 1,000 employees, 25% have 100 to 1,000 employees, 23% have 10 to 100 employees and only 4% have less than 10 employees.

### Application of Shopper Marketing in the markets of the Western Balkans – research results

In the beginning, we wanted to find out about basic intentions for practicing Shopper Marketing in the observed

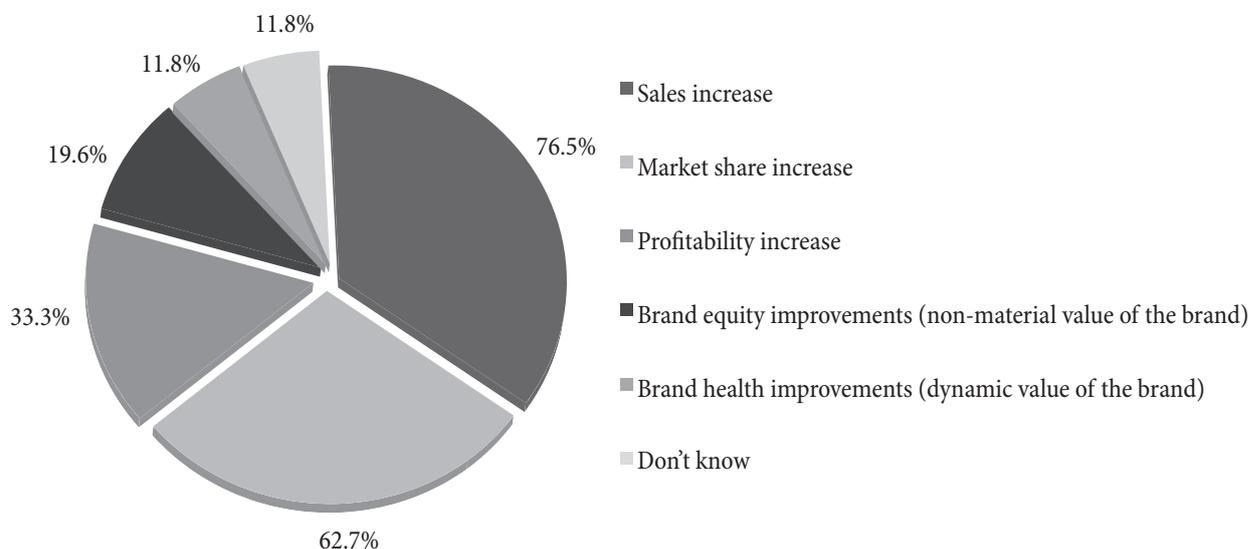
markets. In this part we wanted to see the answers to the question: ‘What are the aims of companies which practice Shopper Marketing’.

It is evident that the two answers with the highest percentage are actually the part of sales tasks. Two of the aims specific to marketing got the lowest percentage of answers. If Shopper Marketing activities were present in the companies, then all five answers would have had more or less equal percentage. From this, we can draw a clear conclusion that the companies in the region still perceive Shopper Marketing as one of the means to increase sales while the marketing component of Shopper Marketing is still neglected.

In the following part we wanted to see how able the companies in these three markets are to create Shopper Marketing strategies and tactics and how dependent they are on central offices placed in other markets.

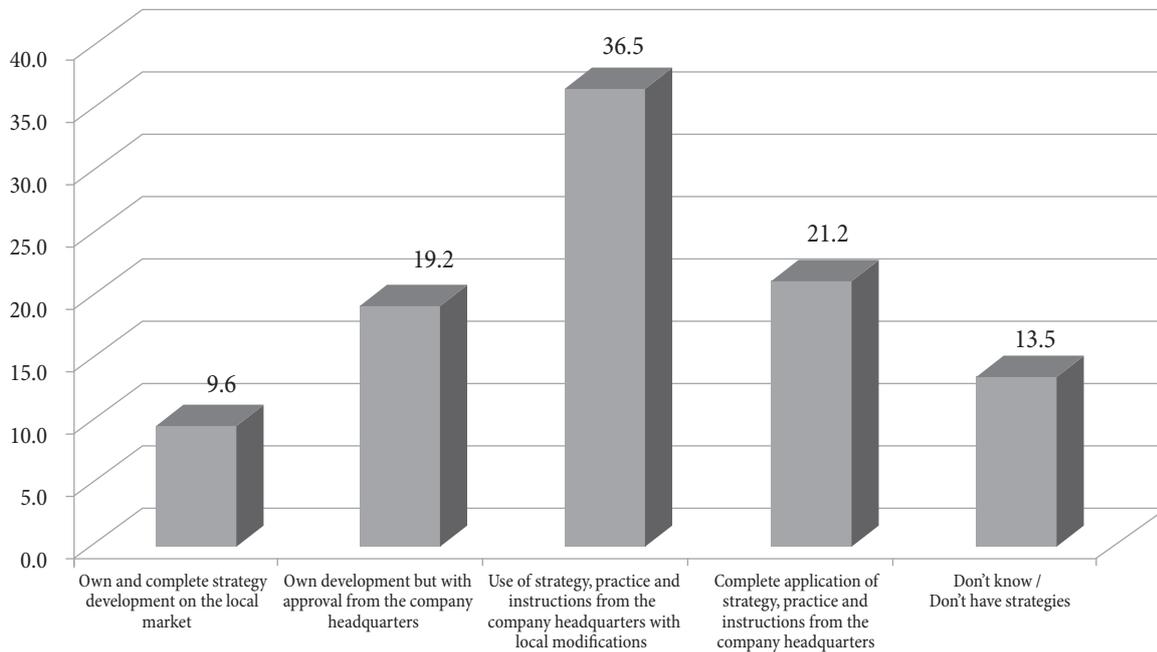
It is evident that majority of the activities is planned in central offices of the companies and as such applied in the regional markets, with companies having only abilities to perform some local modifications and implementation. In the regional markets, strategies are created in only 9.6% cases, which means that below 10% of companies in the regional market are independent in Shopper Marketing strategies. In 19.2% of cases, Shopper Marketing strategies are created in the regional market, but such strategies are subject to approval by central offices. Most frequent

Figure 5: Basic aims of Shopper Marketing activities



Source [38]

**Figure 6: Manner of planning Shopper Marketing activities (%)**



Source [38]

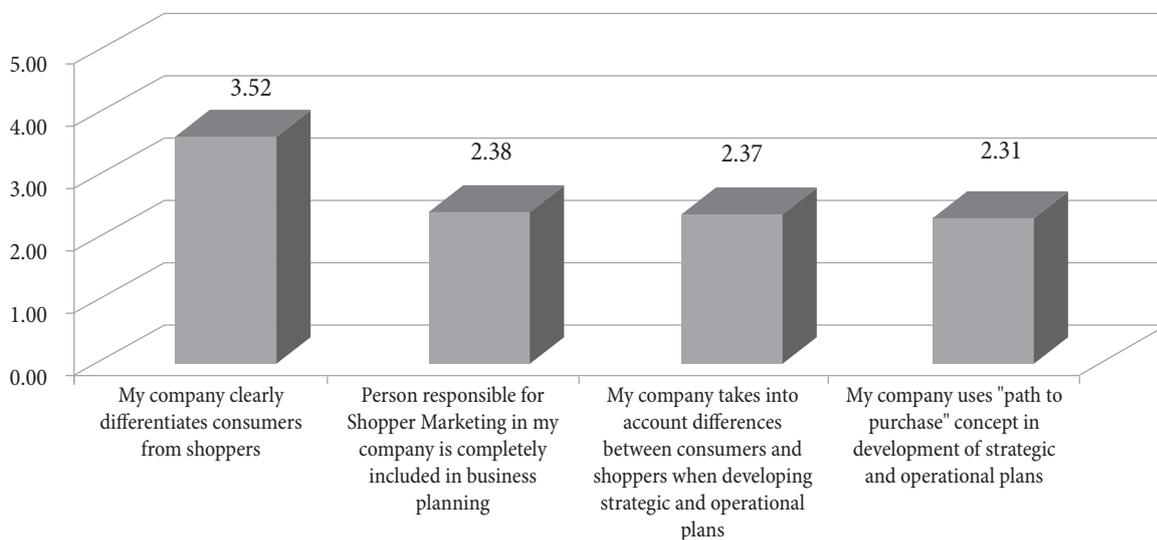
practice, with 36.5%, is the one which means application of practices and directions from central offices with local modifications. Following the strategies and practice of central offices “blindly” occurs in 21.2% of cases. It is important to mention that 13.5% of respondents stated that they were not aware of or that their companies did not possess Shopper Marketing strategies.

Since the basic aim was to examine the adaptation of Shopper Marketing, this part included additional questions aimed at examination of the extent to which Shopper

Marketing elements were adopted by the companies. In this part, respondents gave marks from 1 to 5, where 1 had extremely negative connotation, 3 neutral and 5 extremely positive connotation.

The statement ‘Company where I work clearly differentiates consumers from shoppers’ got solid 3.5. It proves that companies still have the understanding of differences between consumers and shoppers. But, the statements ‘Company where I work takes into consideration differences between the terms shopper and consumer

**Figure 7: Adopting of individual elements of Shopper Marketing (average grade)**



Source [38]

while creating strategic and operational plans’ and ‘Company where I work uses a path to purchase concept while creating strategic and operational plans for Shopper Marketing activities’, got low marks, which shows that the companies do not apply the acquired understanding. Also, the statement ‘Person in charge of Shopper Marketing in my company is fully involved in business planning’, which got very low 2.38, is also a clear indicator of low level of adopting the Shopper Marketing in the regional markets.

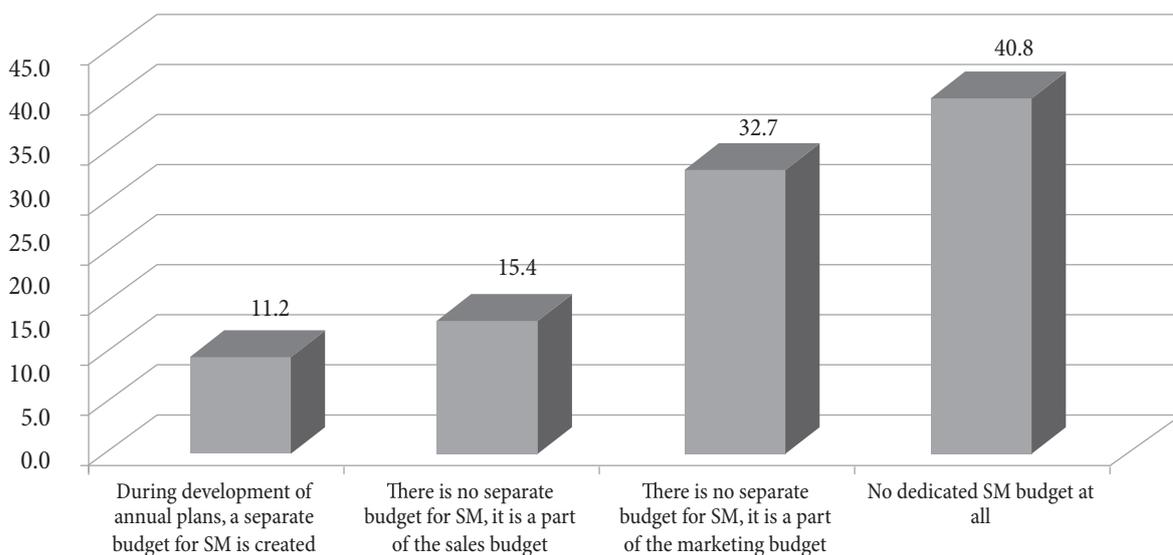
The following part is supposed to show the practices in the budget creation process for Shopper Marketing, or if there are separate Shopper Marketing budget provisions in the course of annual planning.

It can be concluded from the Figure 8 that in only 11.2% of cases companies allocate separate budgets to Shopper Marketing. In 15.4% of cases Shopper Marketing is financed from the sales budget and in 32.7% of cases from the marketing budget. The largest number of respondents provided the answer that the companies where they work did not have any budget for Shopper Marketing.

At the end of this part we wanted to see the attitude of the respondents towards the adopting level of Shopper Marketing in the markets where they operate. The results are presented in the following Figure.

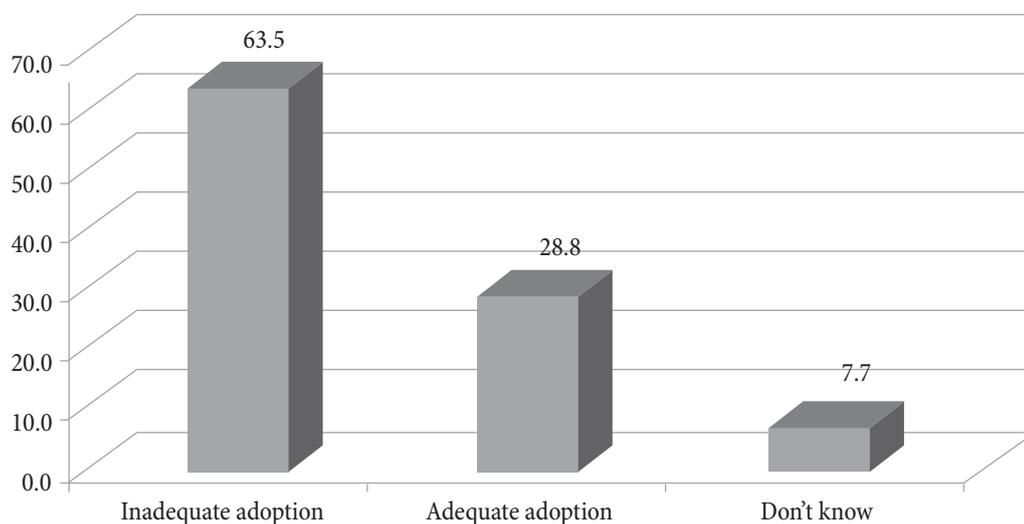
It is evident that almost two thirds of respondents consider that Shopper Marketing is not sufficiently adopted

**Figure 8: Manner of budget creation for Shopper Marketing in the regional markets (%)**



Source [38]

**Figure 9: Shopper Marketing adoption level in the regional companies (%)**



Source [38]

in their markets. This is in correlation with the previous responses and it makes it easy to conclude that Shopper Marketing is still in early development stage.

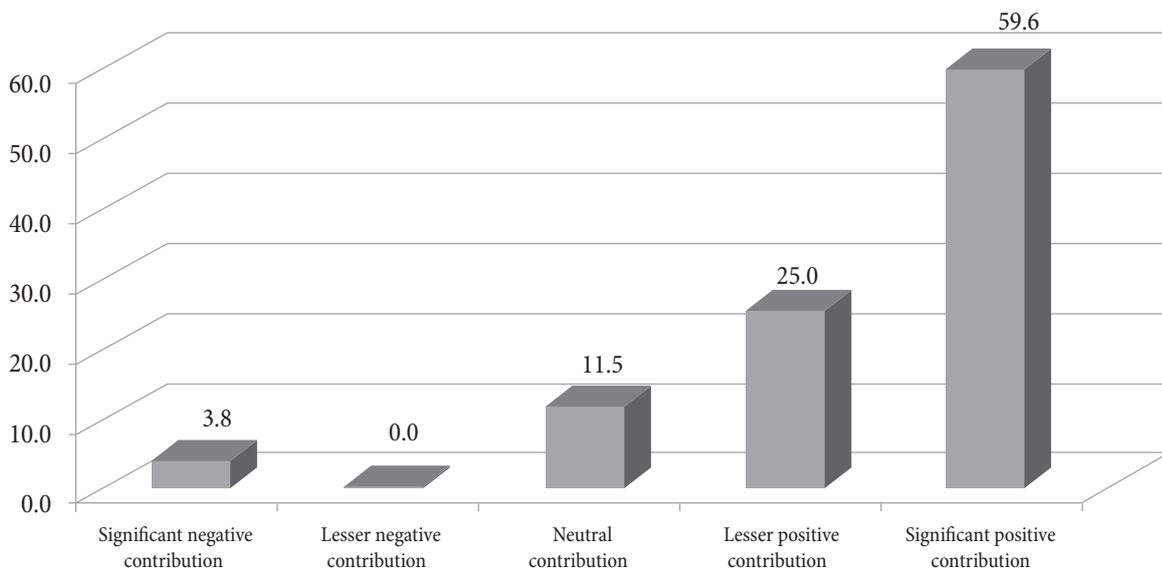
After having established the condition of development of Shopper Marketing in the regional markets, the intention was to establish the attitudes towards influence of Shopper Marketing on companies' business operation. Following that path, we looked for the answers regarding the influence of Shopper Marketing on the total business results.

Answers 'Significant negative contribution' and 'Lesser negative contribution' occur in insignificant number. Almost the same situation applies to the answer 'Neutral contribution', which occurs in 11.5%

of cases. 'Lesser positive contribution' occurs in 25% of cases. However, majority of respondents provided the answer 'Significant positive contribution' in 59.6% of cases. Almost 60% of respondents consider that Shopper Marketing has significant positive contribution to business operation and that is a clear evidence of the potential this concept holds.

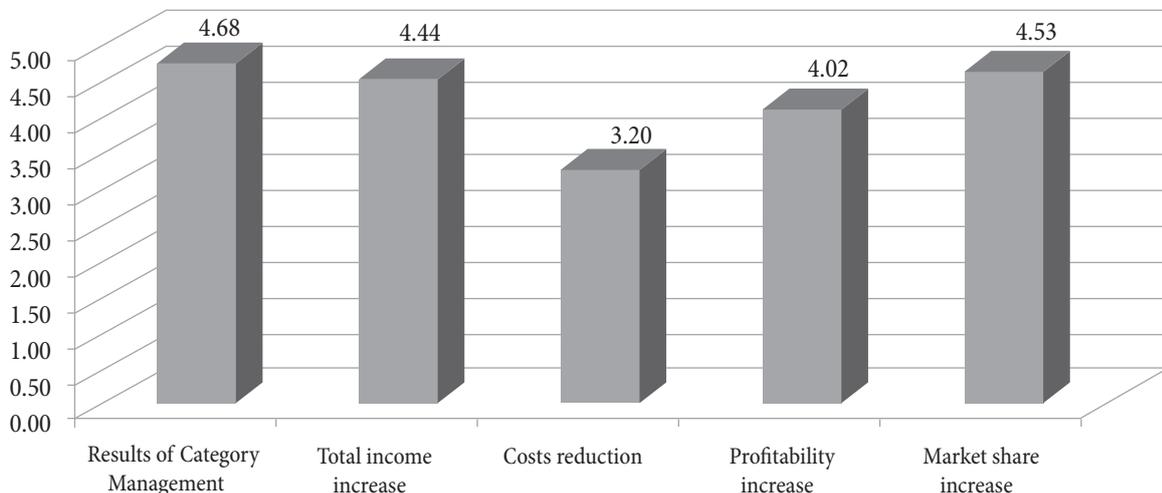
Nonetheless, to move away from generalization, the respondents were asked to mark how Shopper Marketing contributes to individual components of business operation shown in the following Figure. Marks ranged from 1 to 5, where 1 had very negative connotation, 3 was neutral, and 5 had a very positive connotation.

**Figure 10: Contribution of Shopper Marketing to overall business operation results (%)**



Source [38]

**Figure 11: Influence of Shopper Marketing on individual business operation aims (average grade)**



Source [38]

The Figure shows that two categories were marked over 4.5, which is a very high result. These categories represent the influence of Shopper Marketing to Category Management and the increase in market share. That means that respondents consider that Shopper Marketing has the greatest influence in these two areas. The greatest significance is in the mark 4.68 awarded to the positive influence of Shopper Marketing to the results of Category Management, which was the first hypothesis of this paper. The next two areas where Shopper Marketing has positive influence but with less intensity are the income increase and profitability increase. The marks for both areas are within the range of 4.0 to 4.5, which is also a high result. In the area of reduction of expenses, Shopper Marketing was awarded the lowest mark considering the fact that the average mark was 3.2. Nevertheless, bearing in mind that mark 3 was the borderline of transition from negative to positive area, we can draw a conclusion that Shopper Marketing was graded as mildly positive in this area as well. In the end, when we make a cross-section of all these five areas where answers were demanded, we get the logical harmony. Almost neutral impact on expenses with increase in income leads to increase in profitability and positive influence on Category Management, all of which is followed by the increase of market share.

Considering the fact that significant positive contribution of Shopper Marketing was established in overall business operation as well as in individual

business operation parameters, in the following part we wanted the answers about the future of Shopper Marketing in the regional markets in the period of 1 to 5 years. The respondents' attitudes are presented in the following Figure.

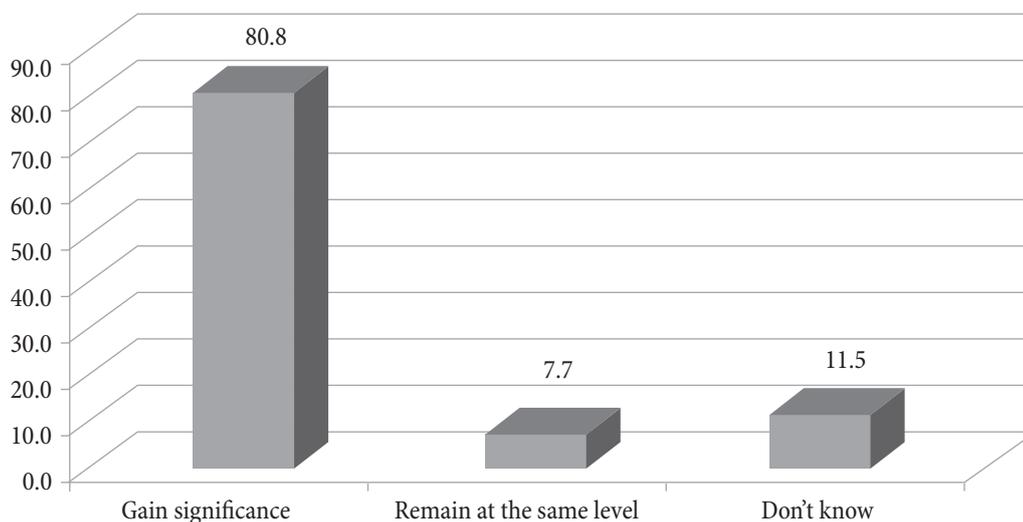
It is evident that over 80% of respondents provided the answer that Shopper Marketing would gain in significance in the period from 1 to 5 years in the future. Those who consider it will remain at the same level are present in almost insignificant percentage. We can easily conclude that more significant adoption and development of this concept in the regional markets is still to come.

### Conclusion

Shopper Marketing is, in a qualitative sense, still underdeveloped in the regional markets. This is confirmed by the aims which Shopper Marketing activities are created for, embodied in increase in sales and increase in market share, while marketing aims embodied in improvement of brand performances are mostly not present.

Shopper Marketing strategies and initiatives mostly come from the companies' central offices which are not situated in the regional markets. That narrows down the freedom of action and flexibility of companies in the observed markets. In this manner, regional companies execute plans which are not ideally prepared for the regional markets and hence suboptimal.

Figure 12: Opinions about the future of Shopper Marketing (%)



Source [38]

It is typical for Shopper Marketing that no budget is planned for it, or that only a small portion of marketing budget is allocated to it. That is considered one of the greatest obstacles to larger presence of Shopper Marketing. Allocation of separate budget for Shopper Marketing is one of the basic prerequisites for further development.

Majority of respondents considers that Shopper Marketing has great positive contribution to business operation results. This is one of key indicators that justify the introduction of Shopper Marketing to business operation. Also, under the influence of such attitudes, more significant adoption of the concept in the future is surely going to take place.

Shopper Marketing has extremely positive influence on overall business operation as well as individual business aims embodied in income, profitability, market share and Category Management results. Bearing in mind positive influence on all the above-mentioned parameters and knowing that it has neutral influence on expenses, Shopper Marketing is excelling as a powerful tool for improvement of competitive advancement of companies.

In the future period of 1 to 5 years, a significant development and increase in practice of Shopper Marketing is to be expected in the markets of the Western Balkans. Extremely high percentage of respondents who suggest it provides certainty of such development.

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