

Gloom sparks tastings boom

Simon Canning
Consumers

UNSEXY point-of-sale field marketing has become the "new sexy" as companies specialising in product sampling experience explosive growth.

Communications groups are increasingly looking to point-of-sale food and wine tastings and product demonstrations as advertisers shift money from mainstream media.

At the same time they are cashing in on the move by many companies to outsource the vast casual workforces that handle sampling and other activities in supermarkets, malls, shopping centres and liquor stores around the nation.

The shift away from traditional advertising in a tighter economic market was recently highlighted by the decision of Photon Group to merge ad agencies Love and AdPartners and the merger of Gallery and DePasquale in Brisbane, a move tipped by *Media* in February.

Matt Bailey, chief executive of Photon Group and founder of the Bailey Group that houses a number of diversified field marketing companies, said there had been a clear trend towards marketing that was able to engage consumers at point of sale.

"It is getting tougher (for companies) to earn a dollar on sales and the bigger focus is now on how to sell more stuff," Mr Bailey said.

"It comes from the simple point of view that if I can get consumers to try to taste something in-store close to the point of sale, it is very effective. We like to say a mouthful is better than an earful."

Mr Bailey said the trend was particularly apparent in the area of liquor marketing where people were reluctant to invest \$15 or \$20 on a bottle of wine without tasting it first.

"The wine category is a great example and one which is based on advocacy," Mr Bailey said.

"Are you going to risk your money on something you have not tried before?"

Photon Group chairman Tim Hughes recently highlighted the growth in the sector, saying that field marketing, along with internet and public relations, now

accounted for 75 per cent of the publicly listed company's earnings before tax.

"The field marketing division grew 23 per cent like for like in the first half of the 2009 financial year," Mr Hughes said at a briefing for financial analysts.

"The increase in new business was driven by the acceleration of the trend to outsource sales forces and merchandising in tough times."

Mr Bailey said the growth potential of the sector for outsourced companies was shown in the fact that about 60 per cent of companies still ran their own field marketing sales force.

"It is still a real big growth area from the specialist company's perspective," he said.

"We are working in a different way in that the vast majority of our labour force is casual and flexible.

"Sales people and marketers are seeing that there is a better way to run this side of the business and once you have outsourced it you don't tend to insource it again."

Mark Rogers, head of the STW Group's field marketing and experiential specialist agency Ogilvy Action, said research from the US had shown the massive potential impact of field marketing and merchandising.

"The SDMS (Shoppers Decisions Made In Store) shopper survey found 74 per cent of people make at least one of four purchasing decisions in store," Mr Rogers said.

"Some 29 per cent buy by impulse and 39 per cent choose the brand in store.

"It is definitely a growth area marketers are now looking at."

Mr Rogers said the field marketing sector was becoming a complex mix of display, experiential and sampling techniques, but it was not just confined to stores.

"Fast moving consumer goods are really spending a lot of money on experiential and sampling," he said.

"A great example of that is Purina doing something called Bark in the Park, where dog owners come together."



Storing it: James Kelly and Hayley-Smith Cameron of the Bailey Group specialise in product display in supermarkets

Picture: David Crosling

Cash-strapped shoppers drawn to competitions

Simon Canning

PROMOTIONS and competitions are increasingly being used to entice customers to acquire products they would no longer pay for as household budgets tighten.

Research from interactive and mobile agency Be.interactive suggests a growing number of consumers are entering competitions in a bid to win non-essential items ranging from iPods to games consoles.

At the same time, Be.interactive managing director Lara Thom said more people from the traditionally promotion-resistant AB demographic were taking part in competitions.

"There has been a significant rise in response rates this year for daily prize giveaways that consumers can no longer afford," Ms Thom said. "This includes luxury holidays, electronic equipment such as iPods, mobile phones and computers."

Competitions "have always been popular, but we are seeing real growth in interest now". Ms Thom said the last spike in competitions was in 2004, when do-it-yourself and home renovation shows were popular.

"Back then whitegoods and home electronics were popular prizes and people would buy a can of paint to paint the house with a view to hopefully winning a prize."

The research also revealed that companies were now pitching not just newly unaffordable luxury items, but even pragmatic prizes.

Ms Thom said competitions aimed at baby boomers and families were offering prizes such as cash, petrol and even debt repayment. Competitions aimed at seniors were often offering prizes that could be used as gifts to grandchildren.

"What is really interesting is the broader demographic that is entering competitions. It's just not the young entering to win, but we are increasingly seeing the AB demographic entering now," she said. "Money is just not available the way it was."

Companies were also using

competitions and promotions to build valuable databases, she said.

While companies were targeting different demographics through different mediums such as SMS entry, online, email and even the traditional but increasingly less popular clip and post method, they were also working to make competitions more interactive by getting people to visit competition websites multiple times.

Consumers were demanding instant gratification from competitions.

"Some 50 per cent of the campaigns Be.interactive has online at the moment are instant wins," she said.