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## News Release

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**FOR IMMEDIATE RELEASE**

**NIelsen: WITH U.S. CONSUMERS WATCHING THEIR WALLETS MORE THAN EVER, TUNING INTO SHOPPERS' MINDSETS KEY TO WARDING OFF BRAND SWITCHING**

October 16, 2008, Schaumburg, IL: With the U.S. economy in turmoil and consumers watching their spending more than ever, consumer packaged goods (CPG) manufacturers need a thorough understanding of shoppers' mindsets in order to understand why certain items end up in consumers' shopping bags and to avoid consumers switching to less expensive products, according to The Nielsen Company.

Nielsen's home and personal care shopper study shows that consumers approach their shopping with any one of five 'mindsets' – and knowing how these change between store aisles will help CPG manufacturers maintain their share at point-of-purchase. For example, why do consumers buy the same baby diapers over and over again but often purchase different brands of shampoo and toothpaste?

"As a CPG marketer, you don't want to get it wrong in the fleeting nano-second of purchase decision," said David Parma, global head of Nielsen Consumer Research. "Marketers need to know what buttons to press to influence their shoppers, and win in the ultimate marketing battle ground – the store aisle."

Nielsen's study, which reviewed consumer shopping behavior across 22 home and personal care categories, found that consumers adopt one of five different "shopping modes" as they cruise the store aisles. Key characteristics of the shopping modes – *indifferent auto-pilot*, *blinkered auto-pilot*, *browsing*, *buzz-activated* or *bargain-activated* are:



**Indifferent Auto-Pilot and Blinkered Auto-Pilot**

With items such as bathroom cleaners, dishwashers, bar soaps and cotton swabs, consumers’ auto-pilot buttons are set to *indifferent*. The attachment to the brand is low, and if it isn’t available, consumers have no problems switching to another brand.

“We typically don’t waste a lot of energy on shopping decisions,” said Parma. “In several categories, shoppers function on auto-pilot, reaching for the brands they always buy, without reading labels or comparing prices. Leading brands in these categories need to be careful of out-of-stocks or visibility and distribution issues, to avoid a switch.”

Other categories subject to this kind of habitual purchasing are feminine care and baby diapers, except in these cases, the auto-pilot buttons are set to *blinkered*. Consumers are particular about what they want, and won’t easily settle for an alternative.

“For these categories, leading brands have a stable user base and should avoid radical packaging changes or repositioning that may disrupt this happy status quo,” said Parma. “For new brand entrants, the key is breakthrough innovation, given the consumer involvement in these categories”.

According to Nielsen’s study, the key to breaking through to shoppers on *auto-pilot* lies in knowing when and how *auto-pilot* can be disrupted by external stimuli. When this happens, shoppers re-evaluate their decisions; they look at alternatives and consider new offers. Nielsen calls these disruptions *Delta Moments* and it is in these moments that marketers have a brief window of opportunity.

**Consumers Shop Home and Personal Care Products in Different Modes**

<p><b>Indifferent autopilot</b></p> <p>Bar Soap, Cotton Swabs, Dishwashing Detergents, Bathroom Cleaners</p>	<p><b>Blinkered autopilot</b></p> <p>Feminine Care, Baby Diapers, Deodorant</p>	<p><b>Browsing mode</b></p> <p>Razors &amp; Blades (Men), Toothpaste, Shampoos &amp; Conditioners, Body Wash, Toothbrushes</p>
<p><b>Buzz-activated mode</b></p> <p>Air Fresheners, Razors &amp; Blades (Women), Baby Toiletries, Hand &amp; Body Lotion</p>	<p><b>Bargain-activated mode</b></p> <p>Toilet Paper, Laundry Detergent, Paper Towels, Facial Tissue, Liquid Hand Soap, Batteries</p>	

**Browser**

When consumers are in *browser* or experimentation mode, the same auto-pilot rules don’t apply.



“By the time we reach the shampoo and conditioner, body wash, toothbrush and toothpaste aisle, *auto-pilot* is switched off, the blinkers are down, we’re engaged and we’re looking around, reading pack labels, sniffing and testing, examining interesting packaging,” said Parma. “In these categories, marketers need to be sure they have wide product assortment, and packaging innovation will always play well here.”

### **Buzz**

*Buzz-activated* categories take experimentation and openness to information to a whole other level. Hand and body lotions, air fresheners and baby toiletries fall into this shopping mode.

“Shoppers will actively seek out information about these products,” said Parma. “Constant innovation in the form of new variants is their trademark – age defying, shimmering, tanning, aromatherapy – to keep the shopper engaged. Marketers of ‘buzz’ categories need to generate ‘buzz’ through exciting advertising, new introductions and innovative packaging that leaps off the shelves to grab the consumers’ interest and attention.”

### **Bargain-activated**

This mode – characterized by shoppers on the lookout for price discounts and promotions --becomes dominant in the absence of new news. Shoppers will flip their choices easily when faced with promotions in toilet paper, laundry detergent, paper towels, facial tissues, liquid hand soap and batteries. Here, choice is difficult to influence on a sustainable basis.

### **About the Study**

The Nielsen Shopper Modality Study was conducted by the Consumer Research division of The Nielsen Company and is part of Nielsen Consumer Research’s proprietary framework on Shopper Insights. The proprietary framework, Shopper<sup>3</sup> (Shopper Cubed), combines primary survey data with Nielsen scan data to provide an integrated picture of the dynamics of a category along with a holistic deconstruction of the shopper decision process – not just in-store, but taking into account the impact of shopper habits and pre-disposition, and channel choice.

### **About The Nielsen Company**

The Nielsen Company is a global information and media company with leading marketing and consumer information, television and other media measurement, online intelligence, mobile measurement, trade shows and business publications (Billboard, The Hollywood Reporter, Adweek). The privately held company is active in more than 100 countries, with headquarters in New York, USA. For more information, please visit, [www.nielsen.com](http://www.nielsen.com).



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