

Closing the Conversion Gap



**Shopping is simple,
but we need to make
it easier.**

Keith Sleight

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SPIRO Market Research = Keith Sleight



- Proven track record of turning insights into growth
- Defining and Closing the Conversion Gap
- Identifying “where to play” to refill the leaky bucket
- Creating better POSM / Aisle executions / Digital assets
- through Capability programmes
- By understanding how people actually shop



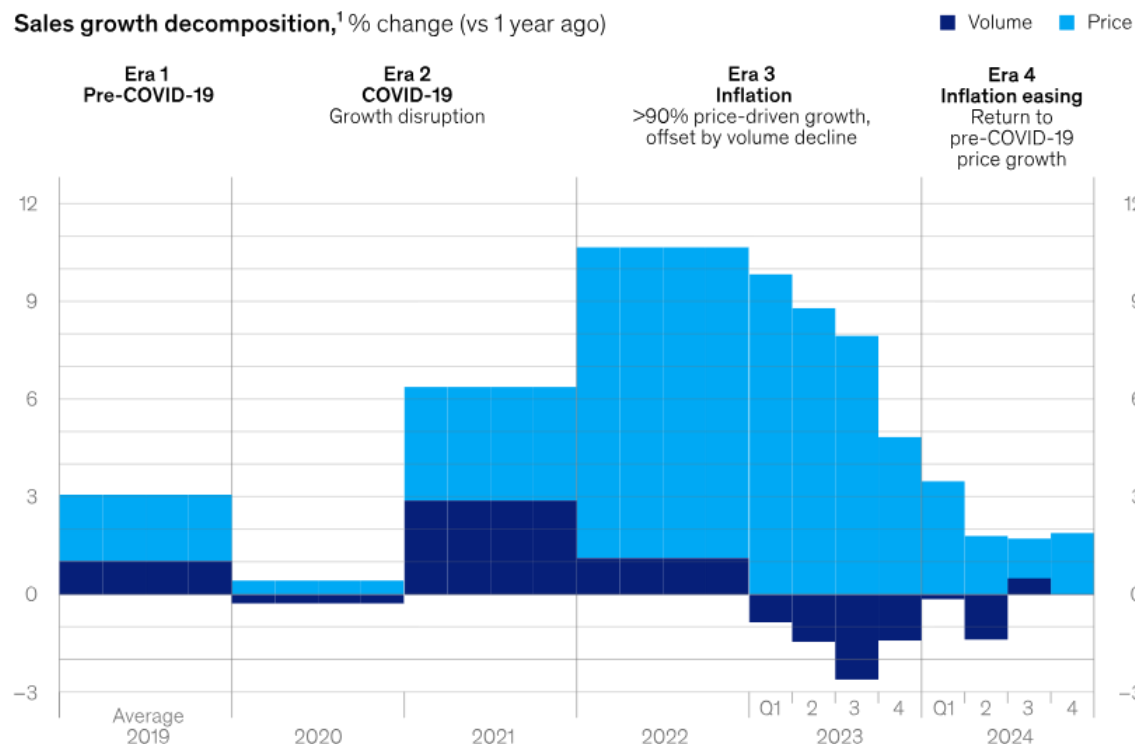


SPiRO

Low Growth in FMCG

Price increases and volume declines over the past several years have come to define the consumer-packaged-goods industry.

Sales growth decomposition,¹ % change (vs 1 year ago)



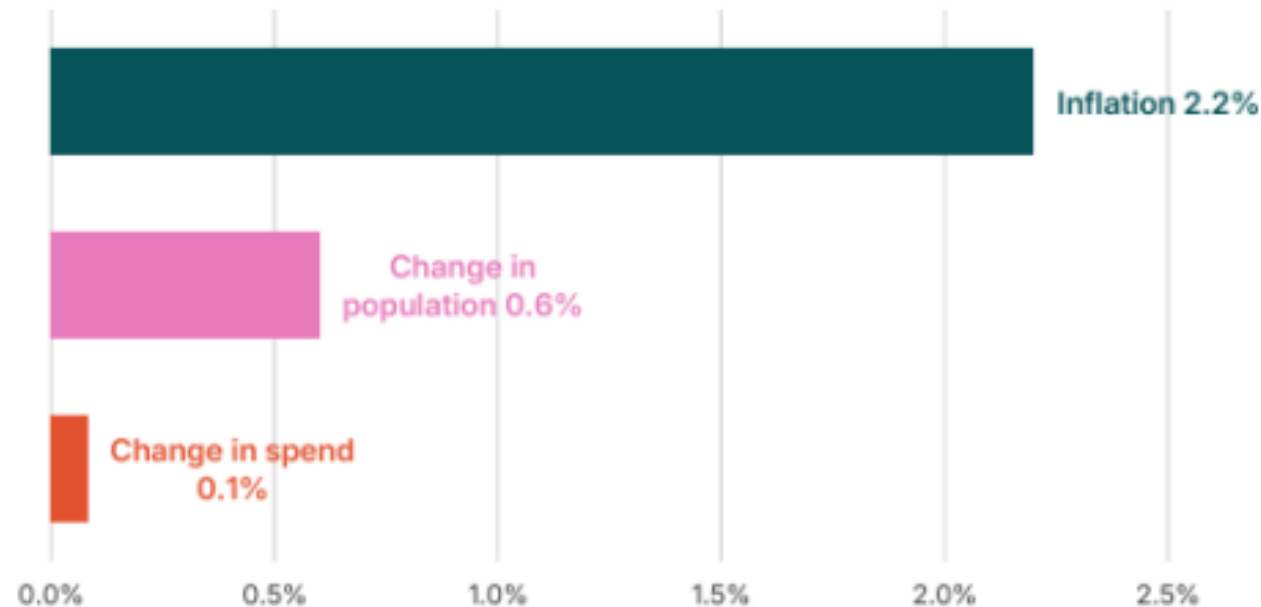
¹Average of top 32 companies. Includes all companies reporting volume/value split. Companies represent ~70% of total market cap of sample set of 135 consumer-packaged-goods companies as of Apr 2024. Source: Company filings as of Mar 2025

- Growth has slowed for FMCG
- The last few years have been turbulent
 - Covid
 - High inflation
- And the prediction now is for slow growth
- “What got us here” won’t be where growth will come from in future
- So there is a need to understand the market dynamics, and the underlying Consumer trends and market dynamics to work out where to from here

Norway CAGR 2.8% to 2030



2024-2029 CAGR breakdown





Who here would be
interested in a 10% growth
opportunity in your
category?

Results are not Behaviours...



Wycombe Wanderers F.C.

12th in Football League One

Overview

Matches

Table

Squad

Matches

Bromley
 Wycombe
Postponed
Time TBD

Wycombe
 Luton Town
Sat 10 Oct
15:00

Wigan Athletic 0
 Wycombe 1
FT
Sat 19 Sept

Football League Trophy · Group stage

Wycombe
 Bristol Rovers
Tue 6 Oct
19:00

Wycombe 2
 Reading 2
FT
Sat 26 Sept

Football League Trophy · Group stage

Wycombe 2
 Chelsea U-21 1
FT
15 Sept

All times are in United Kingdom Time

[Full match schedule](#)

Table

Football League One

Club	MP	W	D	L	GD	Pts
10 Oxford Utd	6	3	2	1	6	11
11 Leyton Orient	7	3	1	3	4	10
12 Wycombe	8	2	4	2	-3	10
13 Stevenage	7	2	3	2	3	9

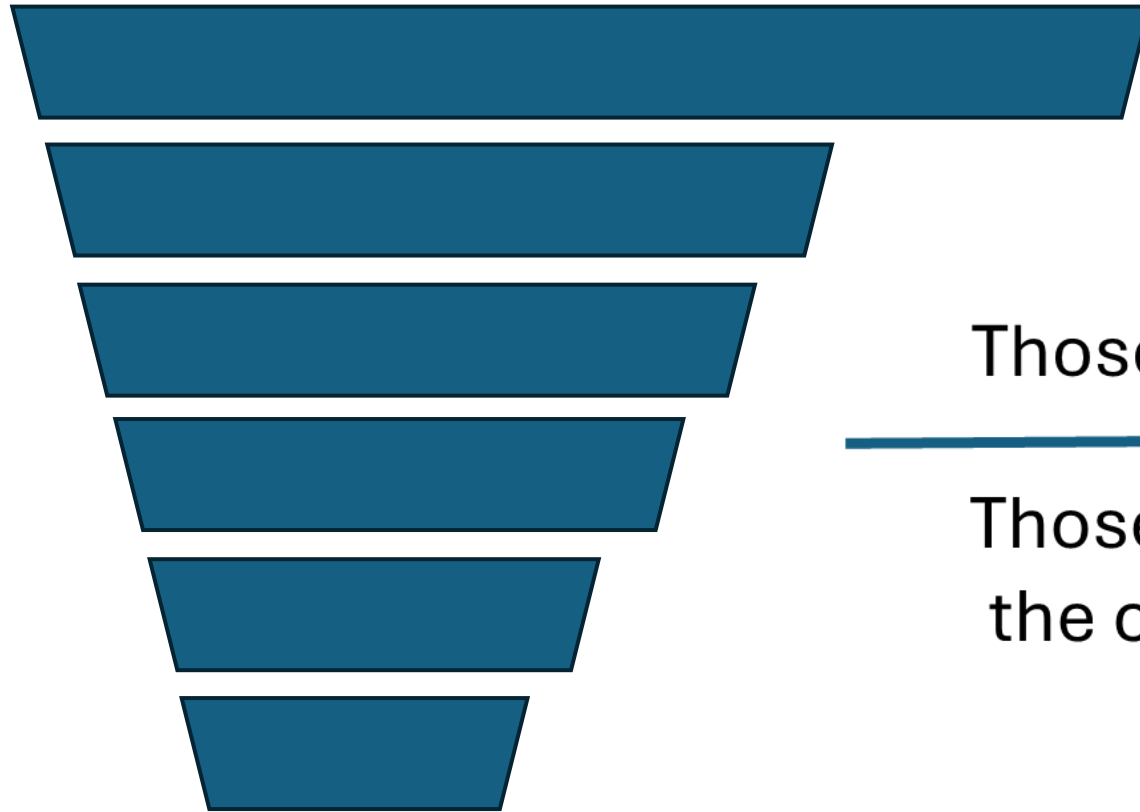
BBC

Wycombe Wanderers Tables and Standings - Football - BBC
League One (active); EFL Trophy. League One. Skip to table keyMatch

2 days ago

Mystery of Conversion

“Conversion Model”



Those that Buy

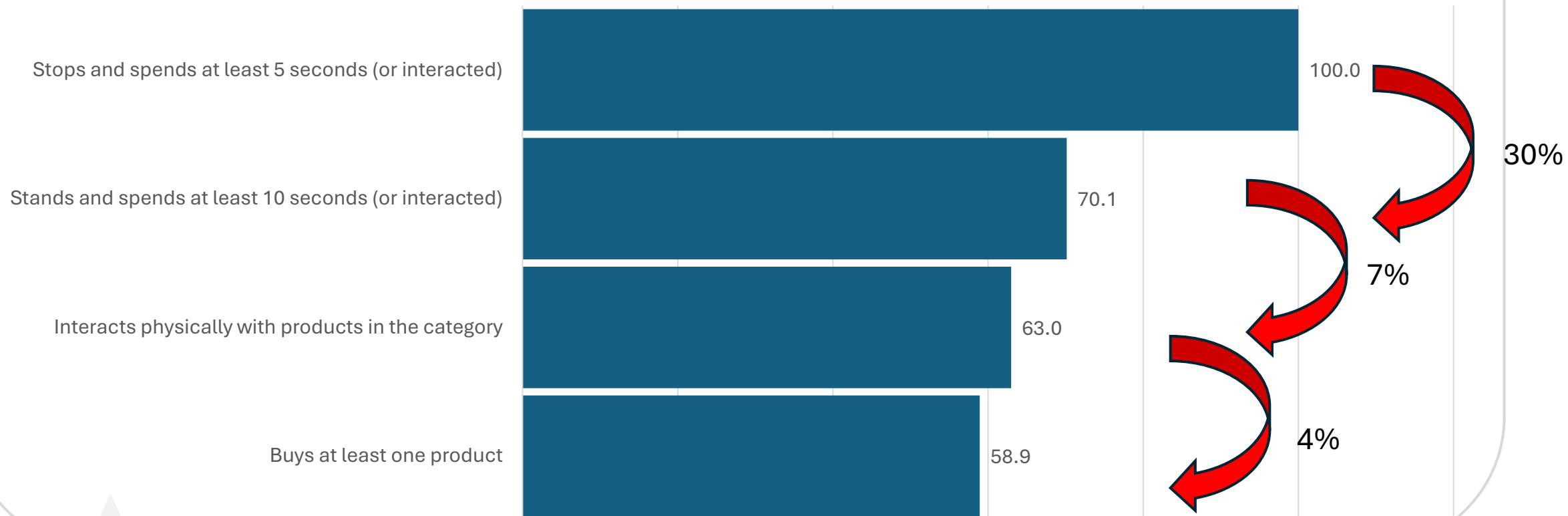


Those that had
the chance to
Buy

X 100 = %age

Closing the Conversion Gap = >10%

Funnel Percentages Gap





Shopping is simple

But we need to make it easier

Skilled Shoppers

Most people are skilful shoppers before they have learned to read

Unconscious Incompetence

Conscious Incompetence

Conscious Competence

Unconscious Competence



Say / Do disconnect



Source : David Ogilvy - Founder of Ogilvy Advertising, and an Advertising Guru

Economics & Behavioural Economics

(Traditional) Economics

Assumes rational decision-making

Focuses on what people *should* do to maximise utility

Preferences are stable

Emotions play little role

Individuals optimise decisions

Behavioural Economics

Assumes bounded rationality

Focuses on what people *actually* do

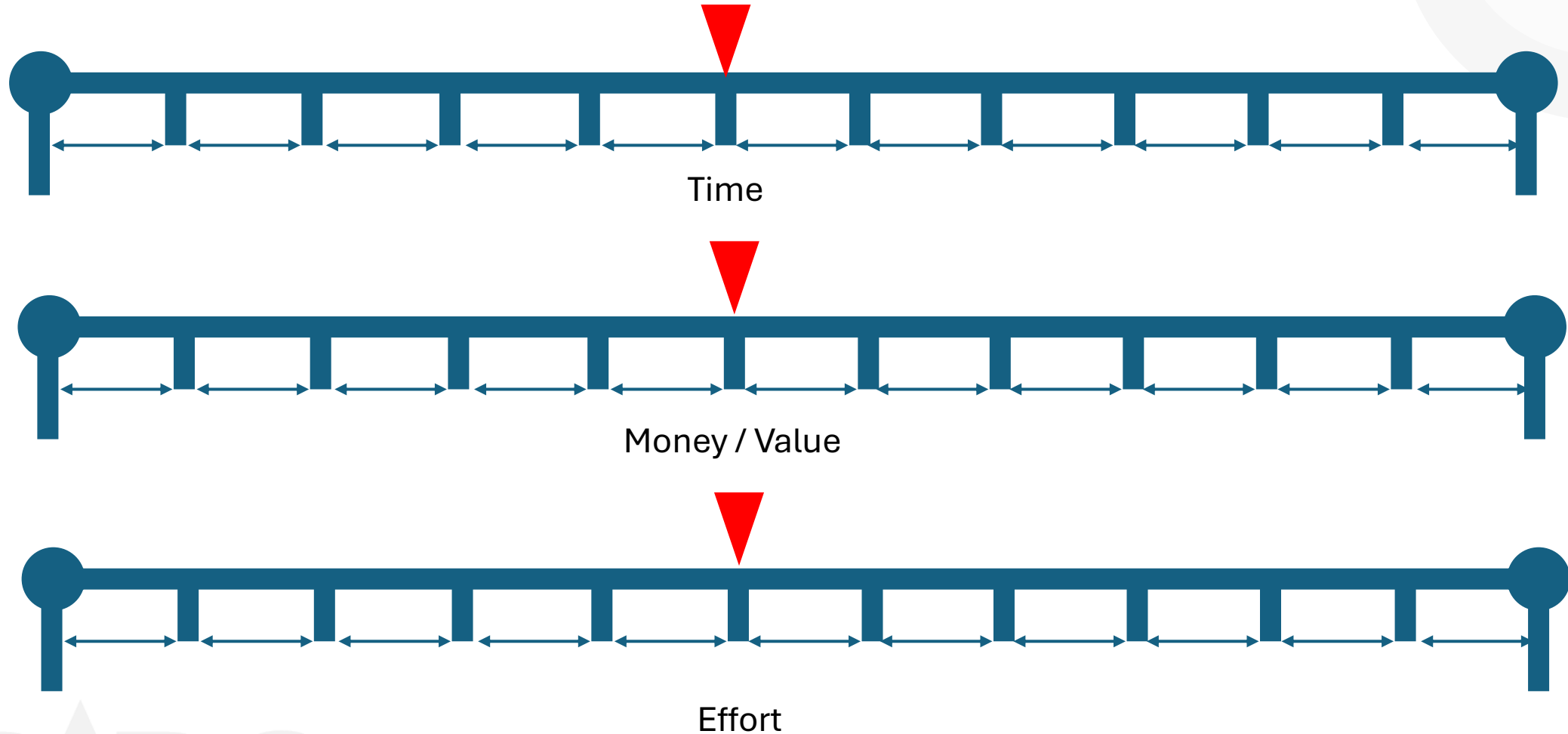
Preferences can be influenced by context

Emotions are important

Individuals often use mental shortcuts

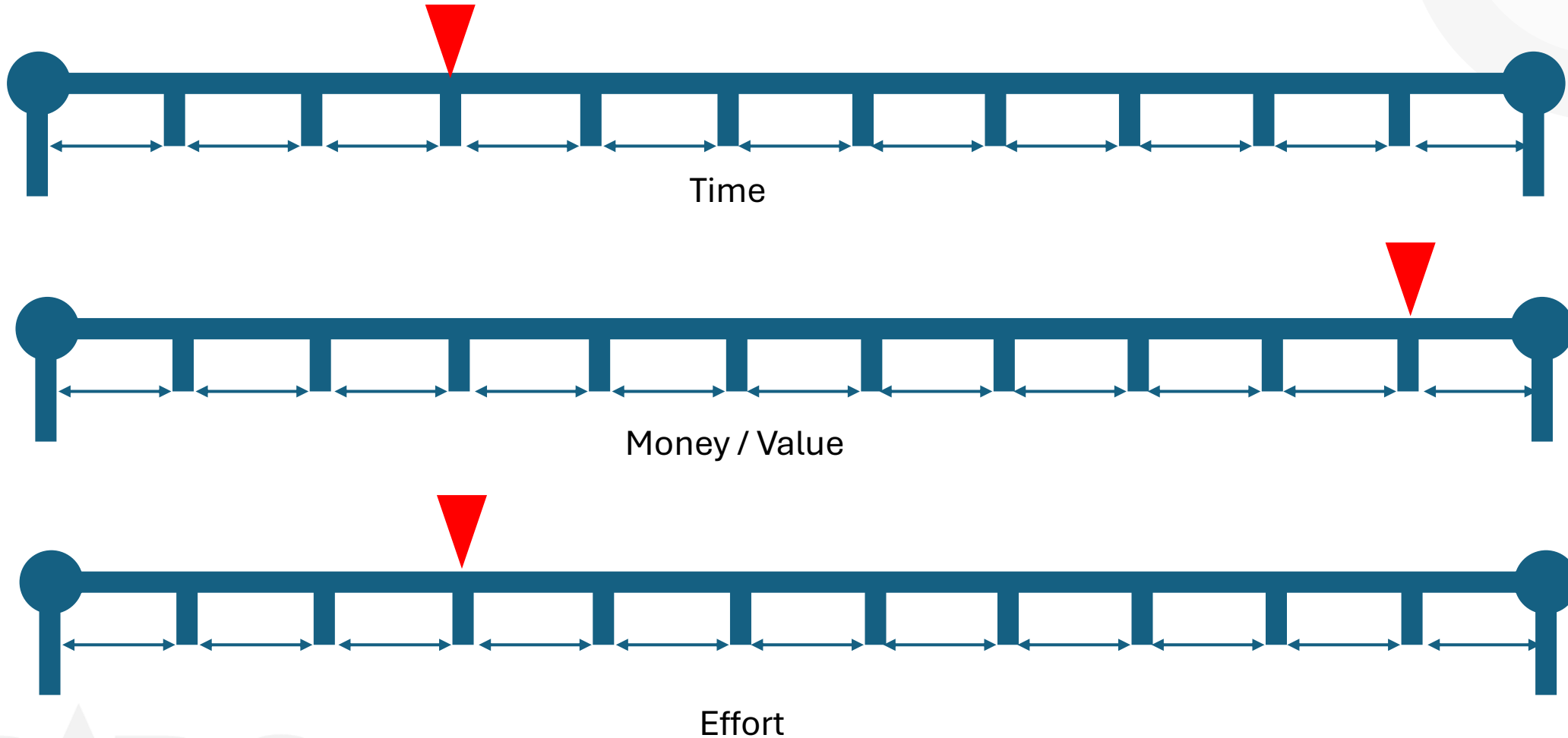
Currencies Of Shopping

It is not all about price, time and “effort” also matter



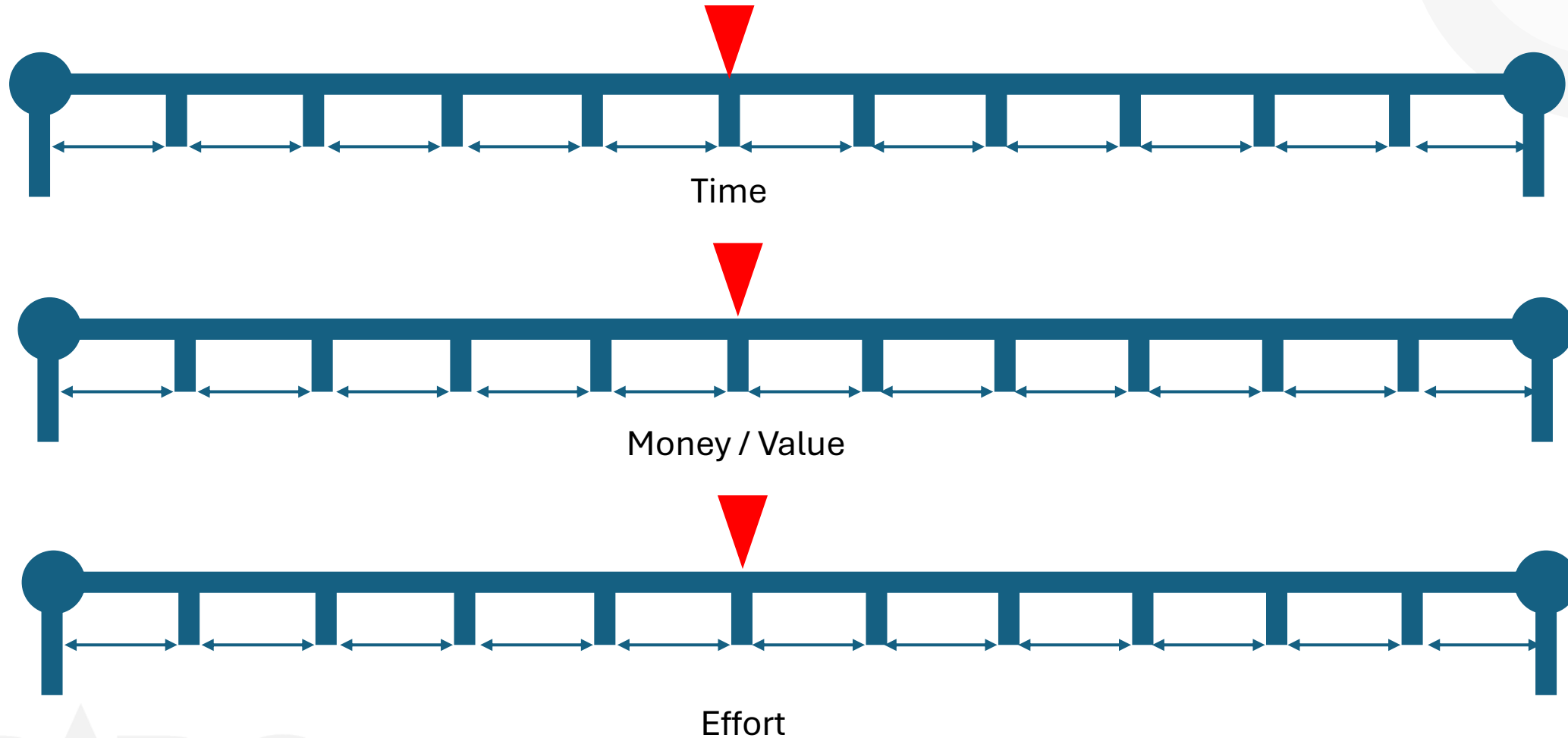
Currencies Of Shopping

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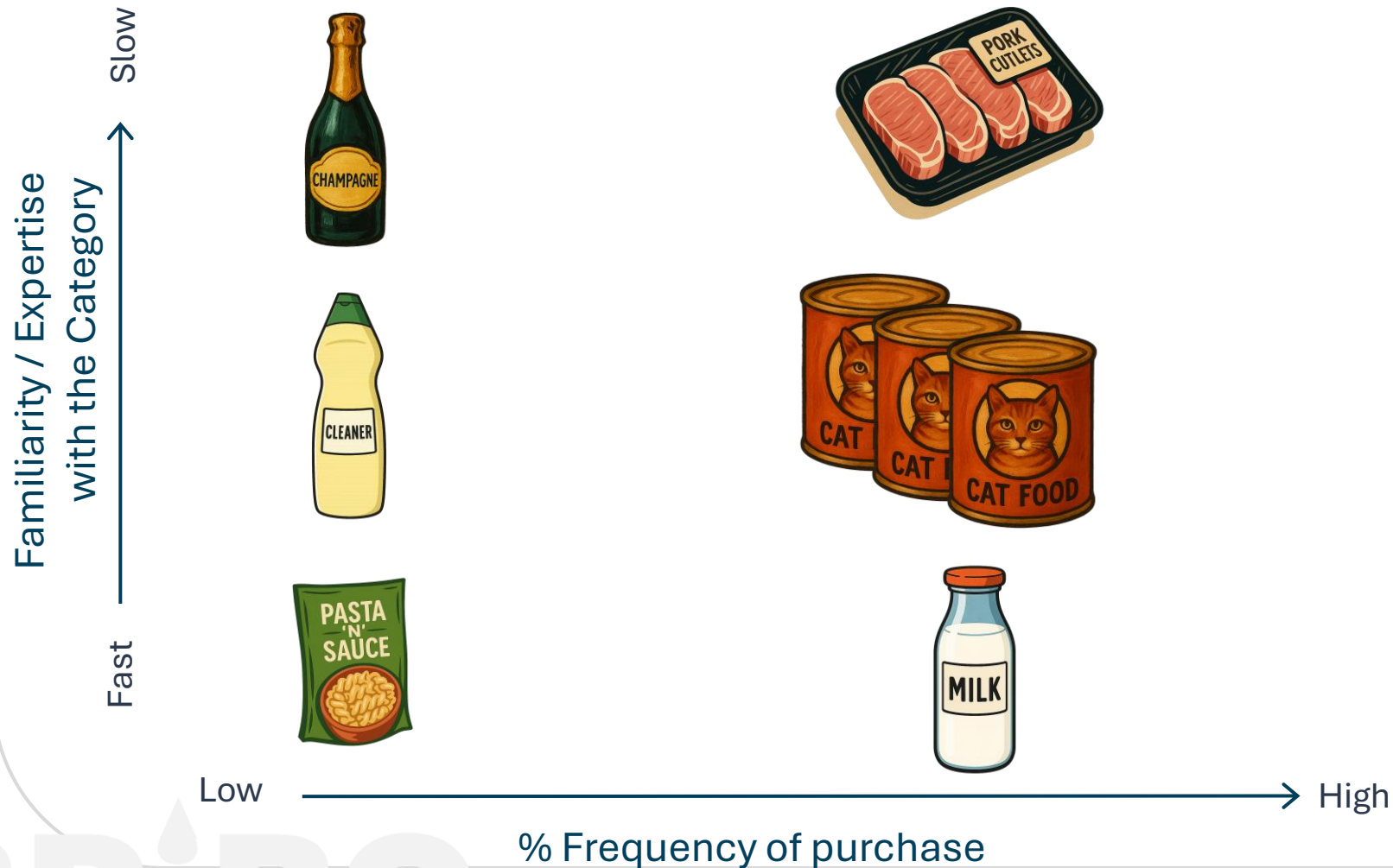


Currencies Of Shopping

It is not all about price, time and “effort” also matter

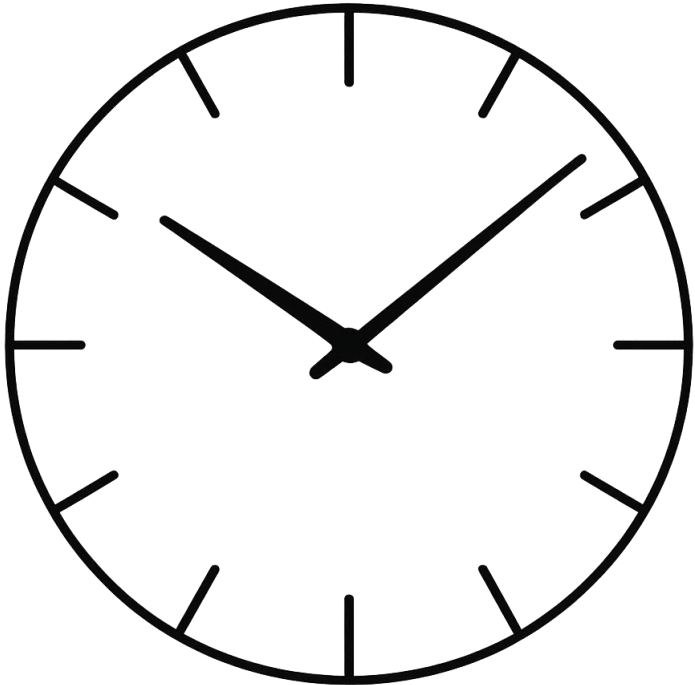


Familiarity / Frequency impacts “Currencies”

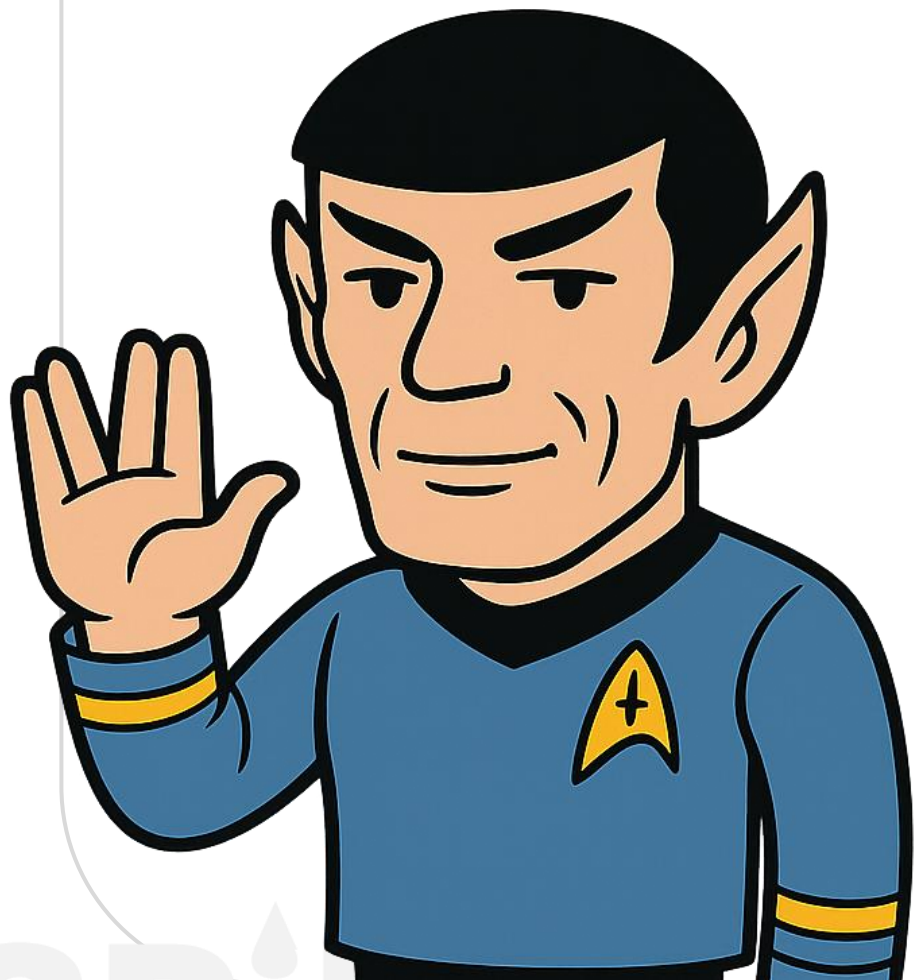


Currencies of Shopping

Time



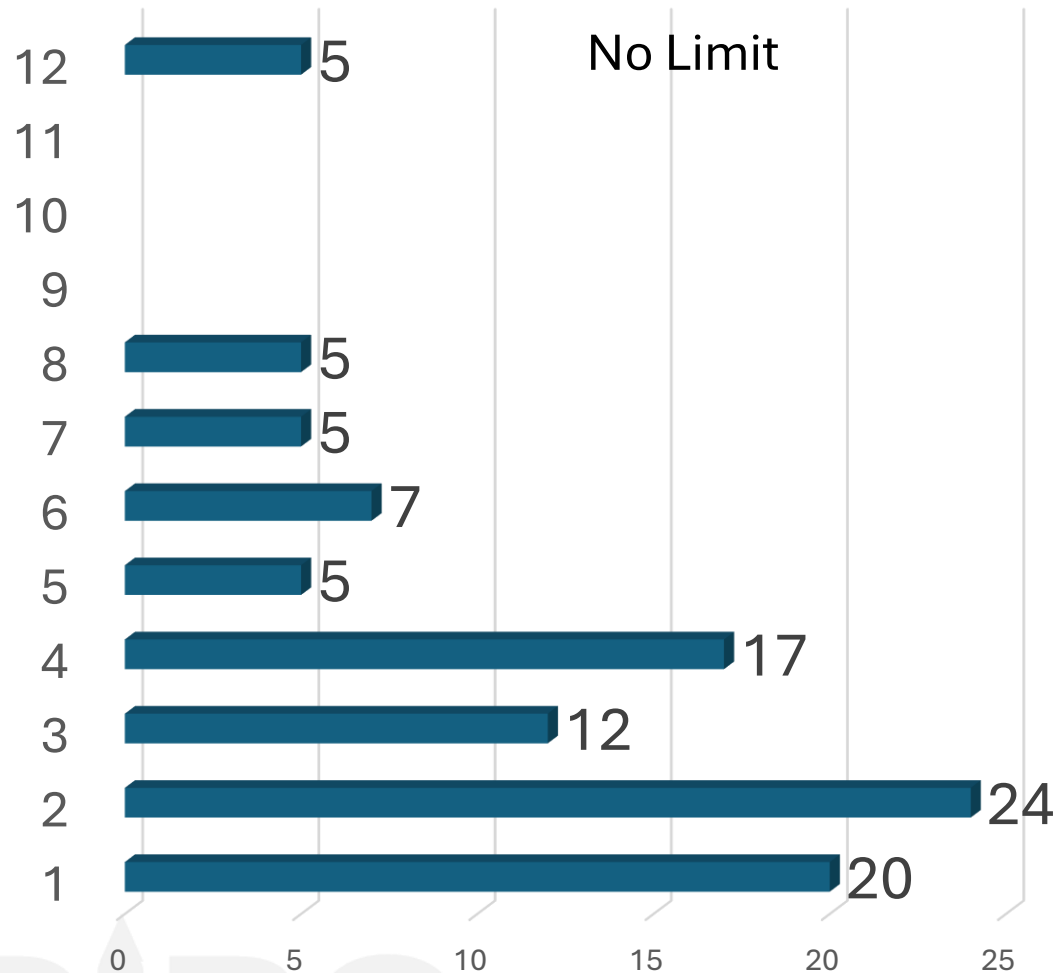
- Familiarity
- “Sunk Cost”
- Walk Away
- Especially when you consider...



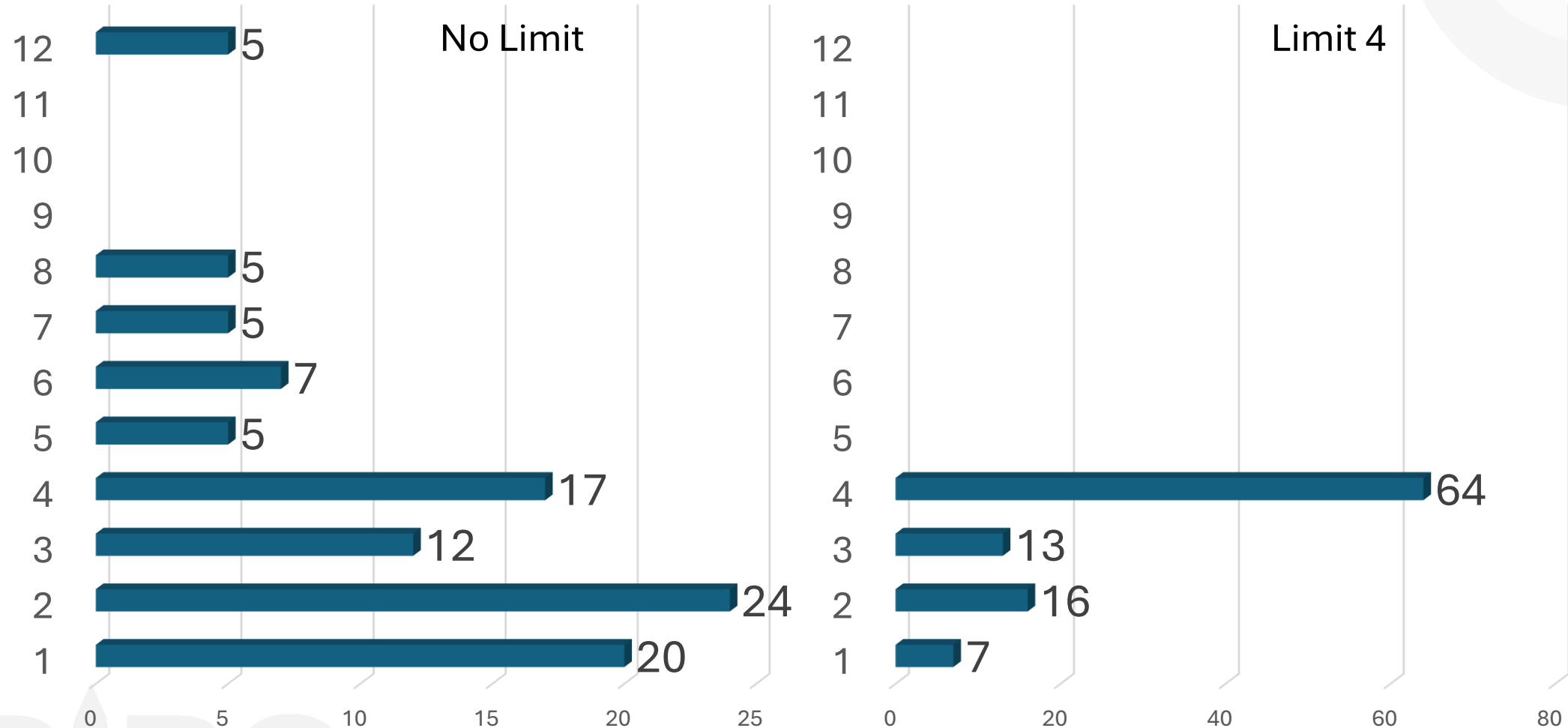
This is all about Human Behaviour
Us Humans...

Unlike Mr. Spock...
We are not (always) rational
Especially when it comes to shopping

Soup offer – example of how people actually behave



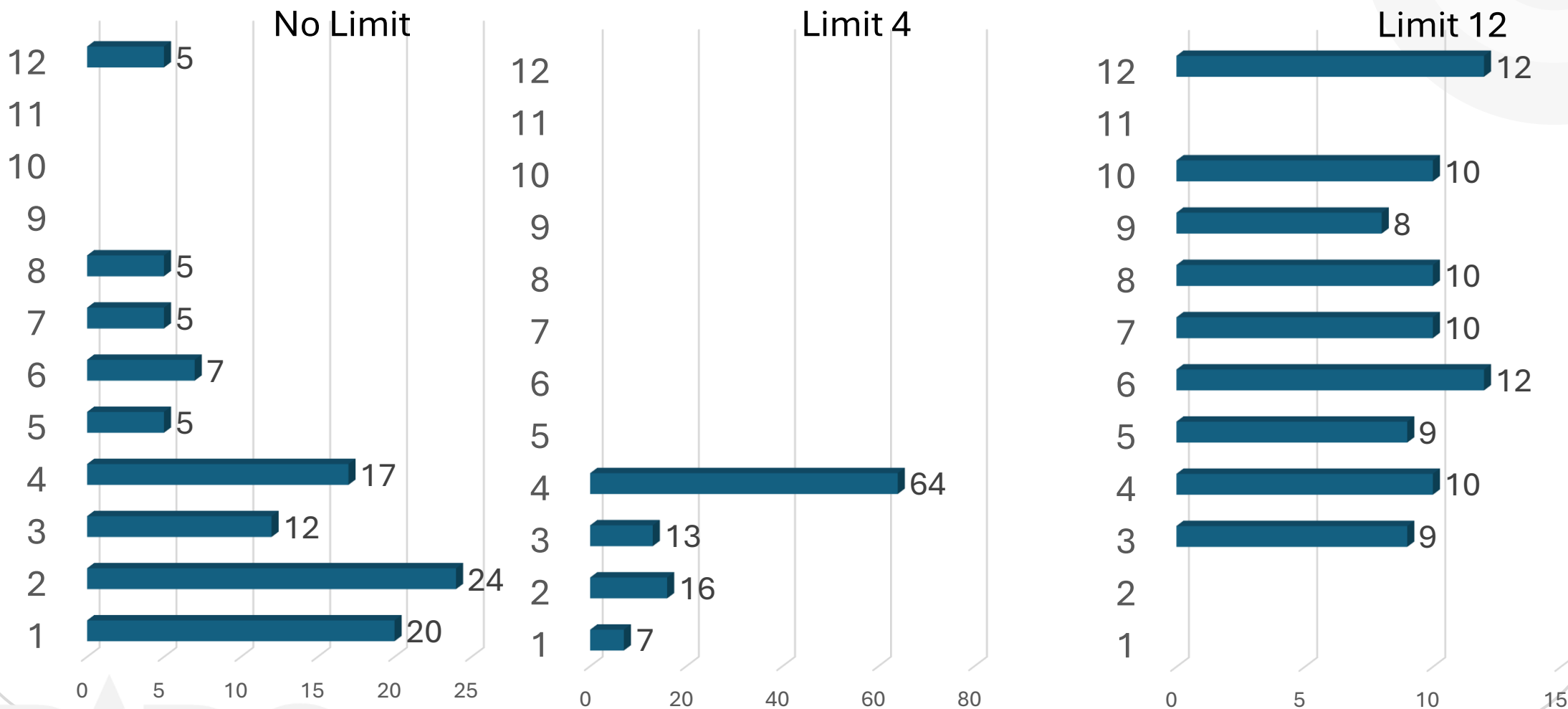
Soup offer – example of how people actually behave



Source: Professor Brian Wansick then at University of Illinois - Source: Journal of Marketing Research Feb 1998



Soup offer – example of how people actually behave



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Relatively few people make it to the Home Shelf / Main Aisle



Source: - "Inside the Mind of the Shopper" by Herb Sorensen, "An Exploratory Look at Supermarket Shopping Paths" Larson, Bradlow and Fader Wharton Business School

"I browse the whole store"



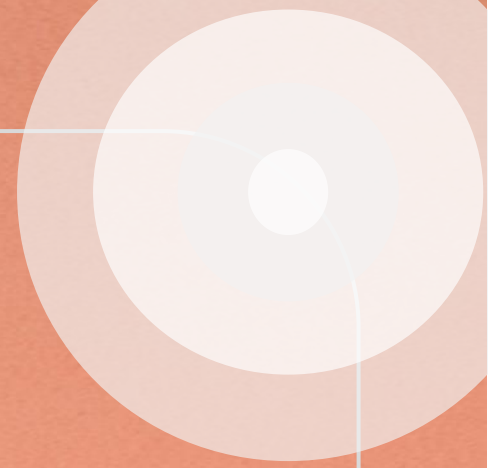
2% > half



How do we make shopping easier?

Understanding how people actually shop

Making Shopping Easier



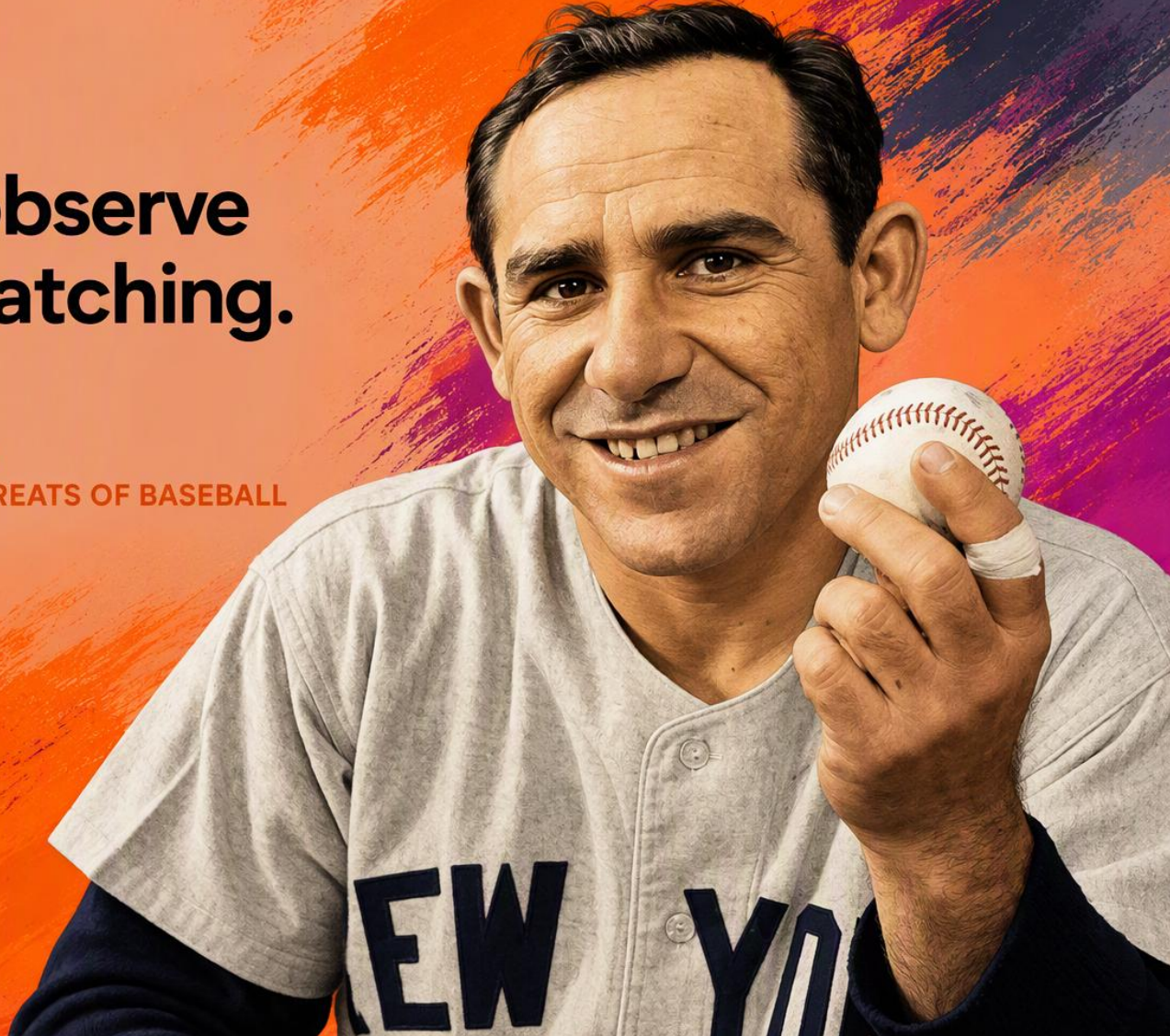
- Reduce Choice Complexity
 - It is not about reducing Choice
- Make it easier for people to achieve what has taken them to store on the day
- Dwell time should be a measure of success
- Reduction of time increases speed to close which increases conversion

“

**You can observe
a lot by watching.**

YOGI BERRA

ONE OF THE ALL-TIME GREATS OF BASEBALL



Source: Yogi Berra – [Biography](#) – 1925 – 2015 – One of the all time Baseball greats
[Yogi-isms - Yogi Berra Museum & Learning Center](#)





“I just went down the aisle and picked it up...”



But we observed

- Trying
- Choice navigation
- Hesitancy

Not clear he could try

So need to give shoppers permission

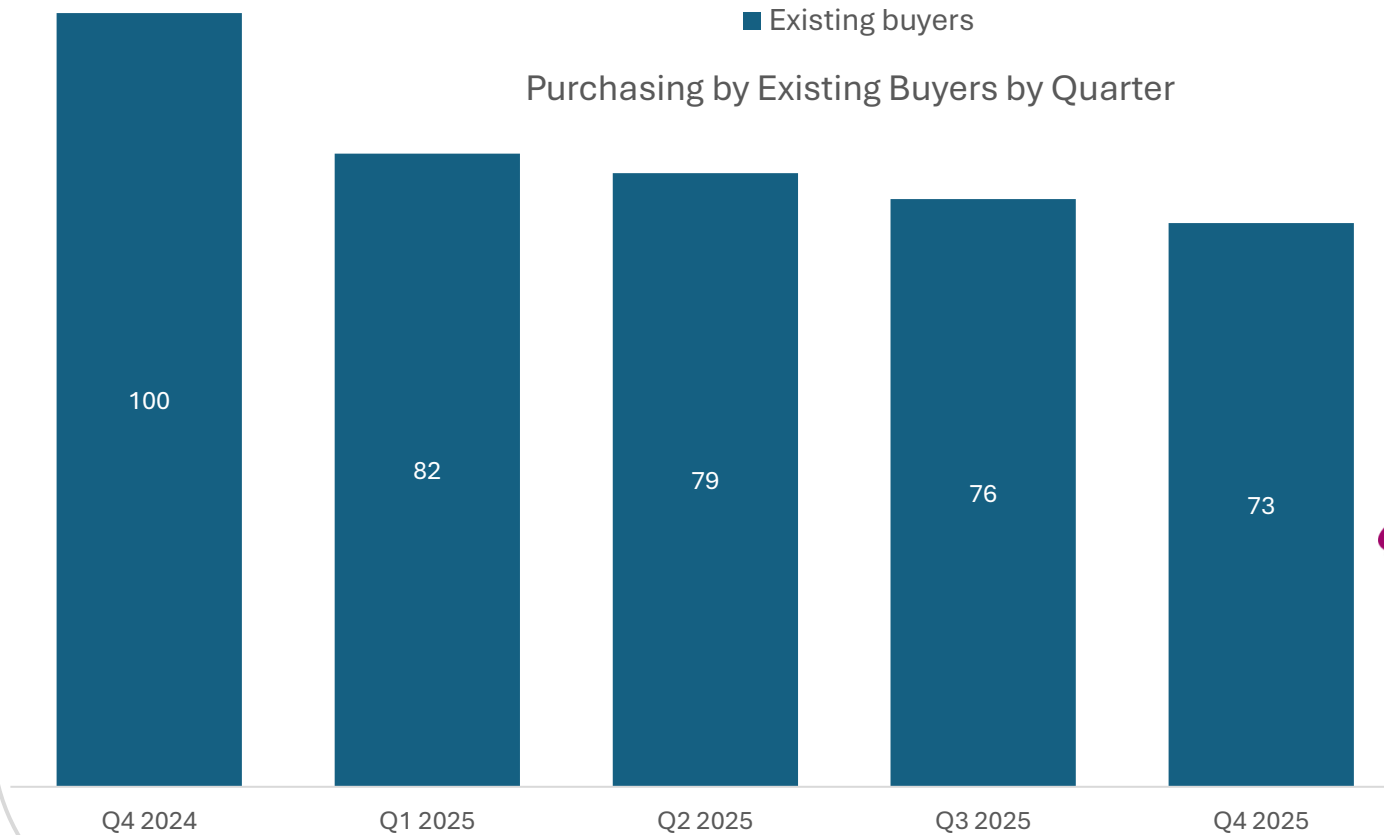
Conversion Model – Diagnose the Problem to fix



$$\frac{\text{Those that Buy}}{\text{Those that had the chance to Buy}} \times 100 = \%age$$

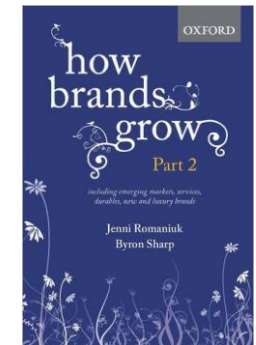
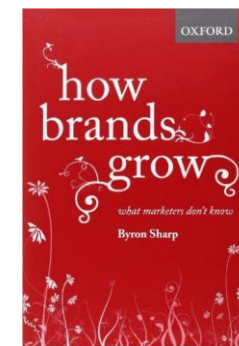
Brand Buyers are always in flux

Very different behaviours of “First Purchase” versus replenishment



The simple truth is that a brand's existing buyers will buy less over time, mainly because some buyers will become non-buyers.

Understanding this in detail helps build more effective activation by splitting activation on those that reward loyalists and those that recruit



How do we increase conversion?

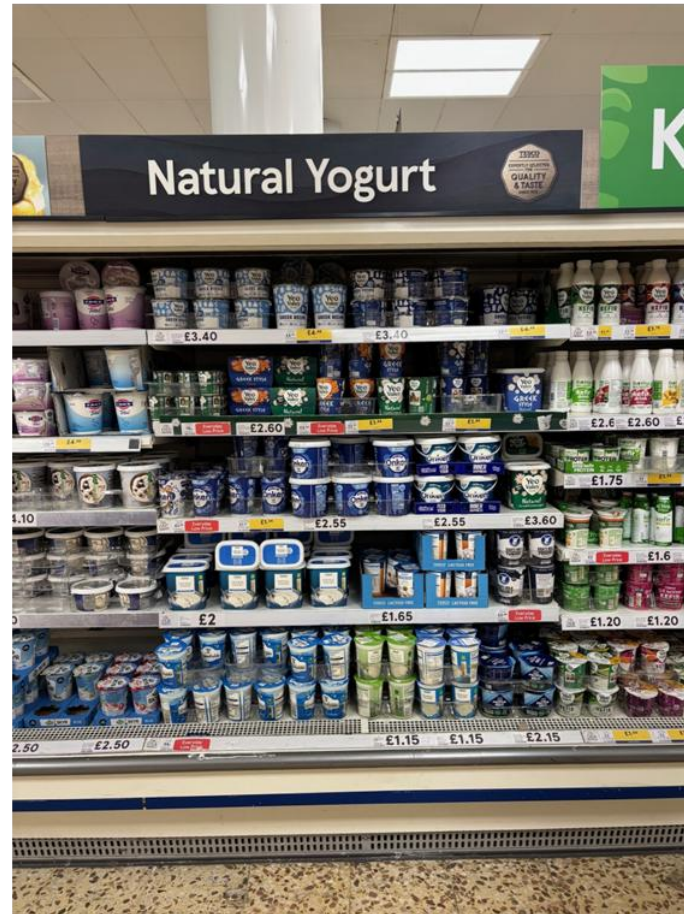


- Visit the store
- Are the shelves a straight line?
- Is the “Decision Tree” obvious?
- All of these are opportunities

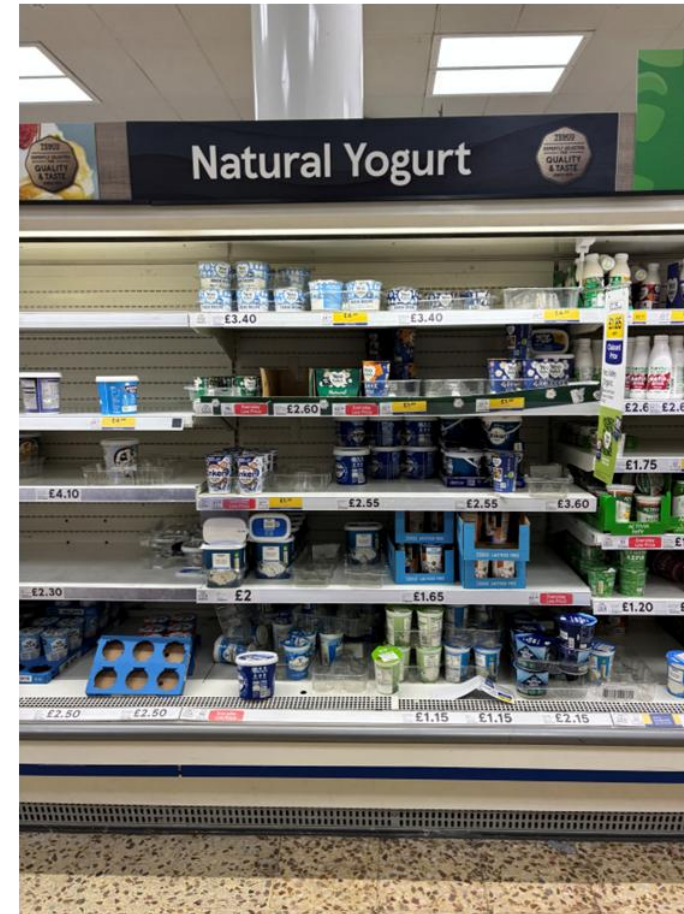
Visit the store when it matters to shoppers

Yogurt– Wednesday am vs Friday pm

Natural / Greek Yogurt – Weds am



Natural / Greek Yogurt – Friday pm



Source – Authors own photos from Tesco Amersham for Tims Dairy

Visit the store when it matters to shoppers

Yogurt– Wednesday am vs Friday pm

Immune Support – Weds am

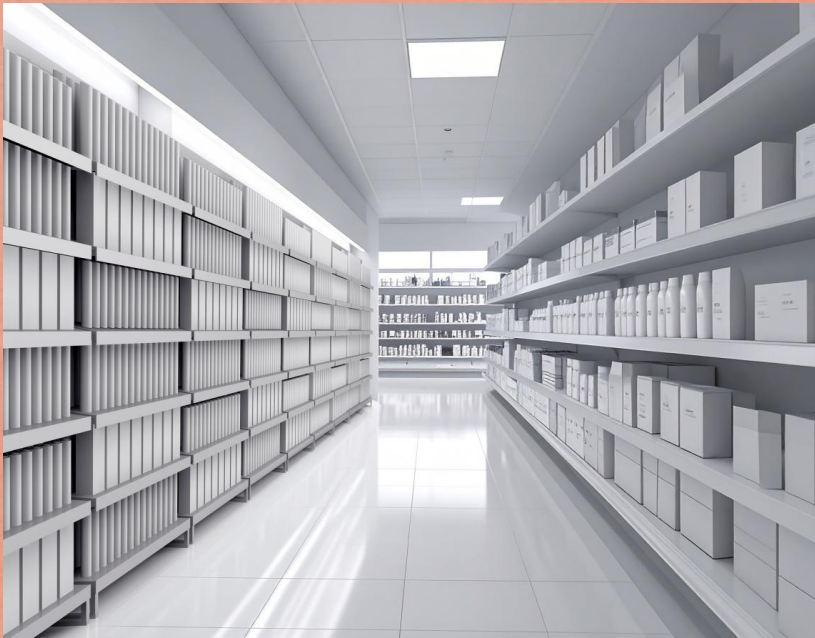


Immune Support – Friday pm



Source – Authors own photos from Tesco Amersham for Tims Dairy

How do we increase conversion?



- Speak to me or Øyvind
oyvind@flowinsights.com
- Growth in FMCG is a team sport
- Retailer / Supplier collaboration grows categories
- Increasing conversion, increases purchase cycles, increases category sales
- Happy to help...



Thanks for your any attention

Any questions
email keith.sleight@spiromr.com

Understanding how people actually shop