# GETTING AHEAD

**The Australian grocery retail sector has never been more competitive, with difficult economic conditions putting additional pressure on retailers both big and small. In this environment, the right sales and marketing strategies and tactics can be the difference between success and failure. *Retail World* reports.**

**By Sam McConnell.**



For many grocery retailers, sales and marketing remain a dark art. While most accept the critical role sales and marketing must play in the grocery sector, the ability to develop and execute supporting strategies is rarely a big part of a retailer's core skill set. And that can be a major liability in today's rapidly evolving and highly competitive grocery retail landscape.

From in-store activation to enhanced customer service, email marketing campaigns, digital advertising and beyond, there's a myriad of options out there for grocery retailers looking to promote their businesses to new and existing customers. In 2025, success doesn't always require huge investment in television or other legacy media channels, or a fancy agency to develop creative ideas, but the right strategy and excellent execution remain more critical than ever.

This was highlighted in the annual 'State of Customer Experience Report', released in April by CPM Australia in partnership with Swinburne University's CXI Research Group. The research showed that there continues to be a substantial gap between what consumers expect from their shopping experience and the service they actually receive – with implications for customer loyalty, referrals and ongoing advocacy.

The top three drivers of service excellence were information accuracy (according to 91 per cent of customers surveyed), access to knowledgeable representatives (84 per cent) and consistency across channels (79 per cent).

In addition, the research found Australian consumers expect service interactions to not only be accurate and efficient, but also consistently human-centric – with obvious implications for the growth of AI in the sector. In fact, it confirmed that most consumers still favour human interaction for resolving complex enquiries (77 per cent), with 24/7 access seen as the primary benefit of AI chatbots (67 per cent). This highlights the need for a balanced customer experience strategy that combines the efficiency of AI with the empathy and nuance of human support.

"The grocery retail landscape has changed dramatically over the last five years," said Dayle Beaverson, owner and Managing Director of Saleslink Group.

"The way brands connect with shoppers is now completely different,

driven by smarter technology, shifting consumer values, and ongoing economic pressures. We've seen a big move away from broad, one-size-fits-all campaigns to far more targeted activity. Retailers and suppliers are leveraging data, AI and predictive tools to really understand who their customers are and what drives them. Personalisation is now expected, not just appreciated.

"The rise of retail media – platforms such as Cartology and Coles 360 – has also reshaped marketing strategies. Brands are now investing more in placements that are built into the shopping journey itself, where they can measure return on investment clearly and quickly.

"Consumers, especially younger ones, want to support brands that align with their values. So, purpose-led marketing, whether it's around sustainability, community support or ethical sourcing, has become much more prominent. The traditional field sales model has evolved too. Outsourcing field execution to specialised agencies has become increasingly common, with brands looking for flexibility, speed to market, and national reach without the overheads.

"Finally, we're now truly in an omnichannel world. Whether it's via an app, online search, social media, or in-store, brands need to ensure a consistent and connected experience across every customer touchpoint."

Mr Beaverson believes that in 2025, although inflation is easing, shoppers remain cautious and value-focused, which makes it essential for brands to stand out – not just on price, but also on relevance, convenience and values.

"It's not just about visibility anymore," he said. "It's about meaningful engagement. Smart campaigns are using data to talk directly to the right customers, with the right message, at the right time. In-store merchandising and planogram execution still play a huge role, but now they're backed by real-time data and insights.

"Brands also need to be agile. Whether it's adapting to shifting stock levels or responding to consumer demand quickly, strong execution and clear communication are key to staying ahead.

"Digital marketing is an essential part of this and no longer a 'nice-to-have'. It's where most shoppers start (and often finish) their journey. From mobile apps to loyalty programs and online search, digital is influencing in-store decisions like never before. Whether it's geo-targeted offers, influencer content or paid placements on retail media platforms, brands need a strong digital presence if they want to compete and convert."



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Commercetools' recently released whitepaper titled 'Reimagining Retail in 2025', speaks to changing shopper behaviour and the need for retailers to evolve and adapt to meet expectations.

Key findings included:

- 33 per cent of surveyed consumers use search engines to find new products.
- 30 per cent have been introduced to new brands through social media ads.
- 23 per cent turn to review sites to discover new brands and products.
- 50 per cent of surveyed shoppers say they engage with four touchpoints before making a purchase, and the average shopper uses nearly six.
- 74 per cent of surveyed shoppers worldwide use a retailer's app while shopping in-store.

Based on these stats, it's clear that traditional paths to purchase no longer apply, with shoppers turning to an increasingly diverse range of channels to assist them in making their shopping, and ultimately, purchasing decisions.

"We're seeing smaller brands doing well by leaning into short-form content," Mr Beaverson said.

"TikTok-style videos and micro-influencer campaigns on retailer media networks are creating more relatable, authentic engagement, especially among younger shoppers. What makes these campaigns stand out is that they don't just look good, they work. They're built around real consumer insights and are executed where and when it matters most."

So, what's next for sales and marketing in the grocery retail sector in Australia? According to Mr Beaverson, we'll see continued growth in AI and machine learning – not just for marketing personalisation, but also in areas such as stock forecasting, planogram automation and dynamic pricing. These tools will make execution faster and more precise.

"Retail media will keep evolving," he added, "becoming more integrated with shopper journeys and more measurable for suppliers. Augmented reality is also on the horizon – it's not mainstream yet but could soon help shoppers explore products in a more interactive way, right in the aisle. Sustainability messaging will mature. Shoppers want more than green logos. They want real data on impact. Brands that can back up their claims with transparency and traceability will earn trust and loyalty.

"Finally, the move from internal field teams calling on stores will continue the shift to outsourced shared providers. This enables higher call velocity, leveraging existing relationships and the expertise and knowledge of industry experts, while being able to set an effective approach to instore activation, all while getting the benefits of cost control that comes with outsourcing."