

# Making Retail Magic

Whether you are having family, business or social conversations, there seems to be a recurring theme these days: fear, apprehension, uncertainty, anxiety — you get the point! These conversations are happening at every level of life, from the corner grocery store to social events and charity fundraisers (for those still in play).

These are heartfelt worries. One could argue whether they come from the emotional side of the brain or the rational. As a Madison Avenue alum, this seems to me to be a real Marketing 101 dilemma.

For years, agencies and brands have talked about how they data-mine for consumer insights. Until you wend your way around the head of your audience, you will never make that magic connection, *i.e.*, the connection to loyalty. Which models can get us real and useful consumer insights and how do we balance the emotional component with the rational?

New information is bubbling up about this very debate as it concerns the relative roles of rational versus emotional components where consumer engagement and purchasing decisions are concerned. Donna Sturgess, global head of innovation at GlaxoSmithKline, is among those championing a stronger articulation of emotional considerations as an element of brand strategy.

Speaking at *Retail Summit*, a recent gathering of thought-leaders co-hosted by Active International and the *Hub*, Donna estimated that 85 percent of most purchase decisions are emotional and 15 percent are rational. However, she also pointed out that 85 percent of brand strategies typically focus on rational factors.

This is not to say that there should be a total disregard for the rational, but the rational alone is not enough. A rational roadmap may get you the sale, but ultimately it is likely to commoditize your product by emphasizing “what’s on sale” as the deciding factor. Rational research often talks *at* consumers. The emotional talks *with* them and engages them. The former

connects with the mind, the later with the heart.

Marketers often talk about the need to move from a transactional model (awareness, trial, repurchase, loyalty), which is mostly rational, to a conversational model (touch points that are more equal, including community, awareness, advocacy, retail, environment, etc.). This engages the emotions, *ergo* the passion in attitude.

But when push comes to shove, there is the tendency to fall back on the transactional model because it seems to be safe. But is it really the most effective over the long term?

## NIKE, DOVE & NISSAN

Everyone would agree that brands like Nike (telling us not to be afraid — just do it), Dove (don’t let anyone dictate to you what beauty and self-worth are), Apple (the world in your pocket) are prime examples of marketers who have connected with consumers at an emotional level that translates into real loyalty — commercial success. This isn’t magic. It is smart marketing based on having done homework with their consumers.

Who are some of the others that are trying to do the same? Nissan Cube has heard the consumer cry for relevant transportation and a message that speaks directly to them. This new vehicle is being launched as a must-have “mobile device,” disassociating itself from the world of unaffordable and irrelevant cars.

The Cube is positioning itself as a smart and useful tool required for everyday survival, not unlike the iPhone. At a time when no one is buying cars, the Cube is appealing to the consumer’s sense of “responsibility and smart choices.” It’s not about a car, but about responsible and environmentally-friendly decisions that enhance and define our lives.

Nissan is counting on the fact that consumers are still shopping, albeit differently and less — but still shopping nevertheless. Nissan is hoping to tap

# An emotional connection at retail pulls shoppers and creates loyalty.

into what consumers are saying they are willing to embrace—a club, if you will, that is socially and environmentally conscious.

What about all those wonderful, local restaurants that are still packed every night? You walk in and wonder where the recession went. These establishments know their constituency. They create that “magic” that addresses people’s need to find refuge from everyday “threats” and puts them in a place that provides comfort, happy predictability and familiarity.

In effect, they have found the formula by recognizing that the consumer is in charge with unlimited choices. Unless they “hear” what’s at the core of what people really want, they’ll be shutting down like the many retail operations we pass by every day.

## LISTEN FOR PATTERNS

So we are back to real insights, with *real* being the operative word. It comes down to listening. Great marketers are those who really listen. Many models intended to provide insights and predict success are broken. New technology enables marketers to hear and better track what consumers are saying about their brands.

Focus groups, even the virtual ones, are mostly designed for specific issues that advertisers want answers to. But they may never get to the core of an insight. They can in fact squelch free-flowing ideas and attitudes about the brand because they are often designed to answer questions about a particular perspective.

We can now use technology to understand emotional inclination, how consumers move in and out of the online environment, and how they view your value proposition. There are dashboards that provide the opportunity to follow, via the web, what’s being said, and expose attitudes consumers really have about your brand. They aggregate listening for marketers who need to listen for patterns of communication.

We can’t talk about patterns of communication without discussing social networking. Social networking has permeated life’s activities by creating new connections. Yet, advertisers haven’t fully determined how best to leverage social networking. In fact, there has yet to be a defined business model.

However, social networking’s success to date has been about making “connections” among consumers of all ages. Younger consumers use social networks to stay in touch with those they know; older audiences use it to connect with new people who share like interests. Its model may be well served to understand the emotional connections (which it is doing quite well). Consumer insights and behavior may be its greatest opportunity.

## NEW RETAIL OPPORTUNITIES

The social-connection business model could, in fact, become a retail opportunity to emulate a social experience that is engaging and connecting so many. We could create a retail experience that encompasses the virtual experience, coupled with a social experience, that could further drive consumer connections—by transposing the traditional *push* at retail to *pull*.

This could reduce the intimidation of shopping by providing virtual fitting rooms, for example. It could translate the retail environment into a space where shoppers connect with the merchandise with low pressure and “high experience.” It could bring the magic back into the retail experience.

The retail experience must change. It is already evolving with the convergence of emerging media, out-of-home and retail. Kiosks, for example, now recognize consumers and their purchasing habits—recommending items of interest as well as providing a virtual sampling experience.

We have been talking a lot about consumer connections, consumer insights and consumer emotions. If we understand what consumers really think—what they want, how they behave—maybe we have found the *real* magic in “magic connections.” ■



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