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# SHOPPER MARKETING: CHANGE OR DIE

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# ***Personal / Home Assistants***

- **WILL THE SHOPPER -**
  - **specify the brand**
  - **specify the retailer**
- **OR ASK FOR -**
  - **'best overall price'**
  - **'most reliable delivery' etc ?**



## *Dominant firms and alliances*

**Walmart**  **+** **Google**  
Save money. Live better.

**amazon.com**  **+**  **Microsoft**

 **Alibaba Group**  
阿里巴巴集团

Approximately  
**50%**  
of today's jobs  
will be lost....

- Artificial Intelligence
- Natural Language Learning
- 3D Printing
- Blockchain
- Robotics
- Autonomous Vehicles
- Drones
- Internet of Things...

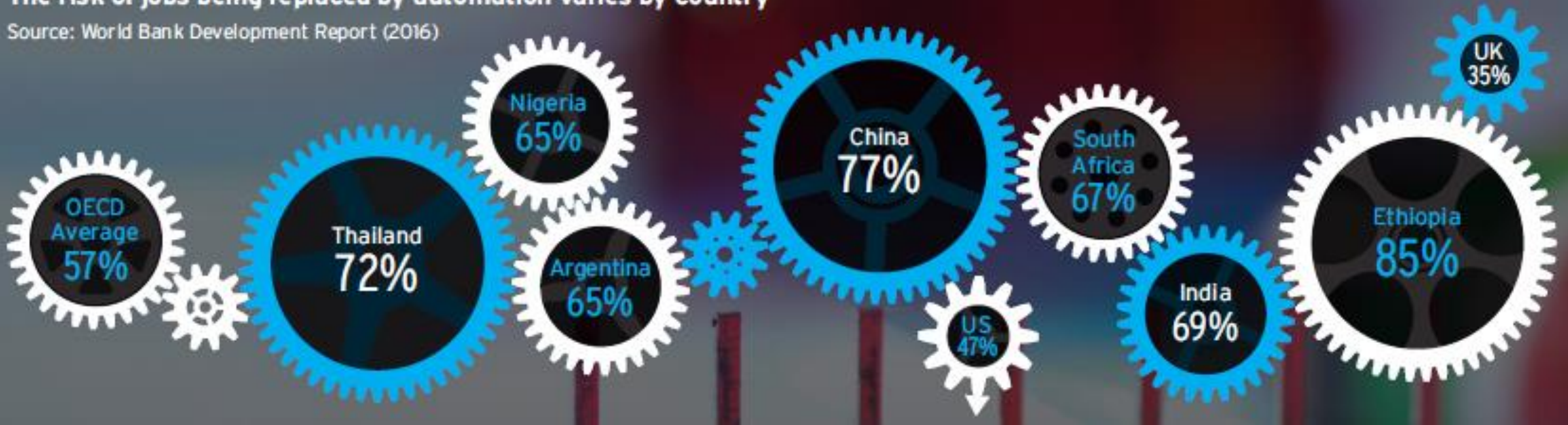




# Lost Jobs

The risk of jobs being replaced by automation varies by country

Source: World Bank Development Report (2016)



# Anecdotal Evidence

## Austrian Steelworks

500,000 tons of steel p.a.

1960s  
new plant

employees  
1,000  
?



## Hedge Fund jobs

2% to 7% of the US hedge fund industry's \$3 trillion of assets will move every year from human oversight to computers....



## Accountants

more than 2 million US accountants will be replaced by technologies such as AI and blockchain



# Anecdotal Evidence

## Austrian Steelworks

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**14**



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## Accountants

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# Anecdotal Evidence

## Education

More people have signed up to Harvard's online courses in a single year than have attended the university in its 377 years of existence....



## Journalists

**US** – main source of news: internet (40%) newspapers (35%)

**UK** – online news access from 20% to 70% in 7 years

**Iceland** – almost 90% access news online



## Medicine

AI using Google's image search is diagnosing malignant skin lesions as accurately as a group of 21 certified dermatologists.



# ***New Jobs?***

## **NOT PROMISING**

IT

Robotics

Education

Retail

## **SHORT-TERM POSITIVE**

Health care

Environment

Defence

Manufacturing

## **LONG-TERM POSITIVE**

Cybersecurity



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***Preferred Solution:  
Universal Basic Income***

# UNIVERSAL BASIC INCOME

*AROUND THE WORLD*

**SIX COUNTRIES**  
**have launched**  
*basic income*  
*pilots:*



**FOUR**  
**COUNTRIES**  
have proposals:



# *Will the UBI Solve the Problem?*

Finland	\$
UBI	587
Average Earnings	3,392



# ***Technocrats Also Love the UBI***

Mark Zuckerberg is a strong supporter.

## **Y Combinator pilot**

- 100 families in Oakland
- \$1,500/month

Bigger pilot (\$50 million) under consideration.



Combinator



# ***What Will the Economic Impact be?***

**Imagine a quarter of consumers living on \$1,000 a month.**

This would not only destroy individuals, their families and communities, but whole economies.



# *What Will Happen?*



+





# How Will Consumers Get Their Dopamine Hits?





# Escape into the digital world

VR, augmented reality, eSports, robot contests...





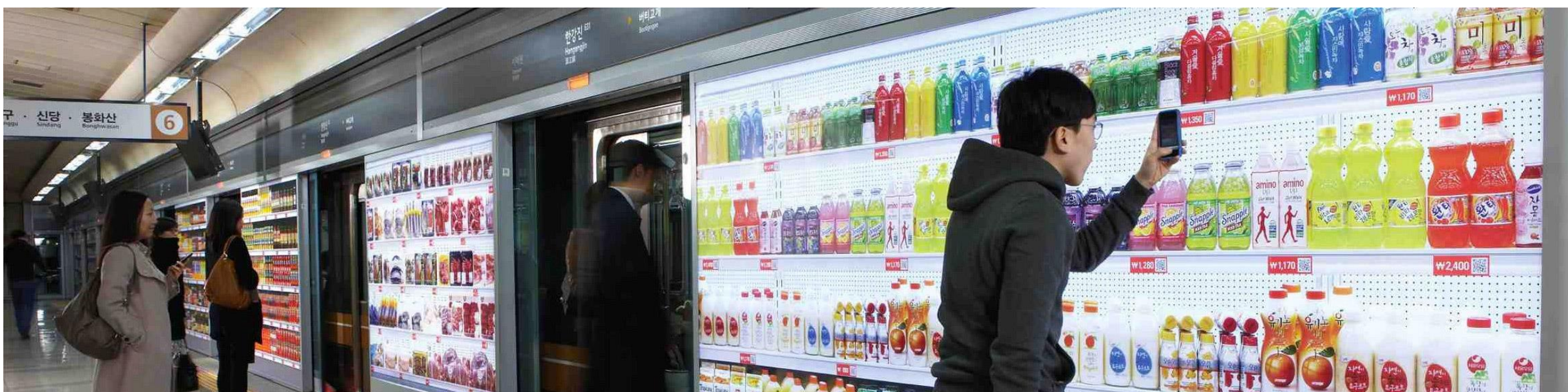


# Augmented Reality





# Virtual Reality





# In-store *Holographic Assistants*





# Holographic Displays



# *The Perfect Storm*

An aerial photograph of a massive storm system over the ocean. The storm has a distinct eye in the center, surrounded by a dense ring of clouds. The surrounding ocean is dark blue, and the sky is a lighter blue with scattered white clouds. The perspective is from a high altitude, looking down at the storm.

**Massive job losses /UBI = price conscious shoppers**

**Shopper used to frequent and strong dopamine hits**

**Will delegate boring shopping to digital assistant**

**Care less about retailer and brands; more about lowest price and convenience**



# *The Perfect Storm*

An aerial photograph of a hurricane, showing a clear eye in the center surrounded by dense, swirling white and grey clouds over a dark blue ocean. The perspective is from a high altitude, looking down at the storm.

## ***STRATEGIC OPTIONS***

- 1 Become the price leader***
- 2 Develop a strong emotional relationship with shopper***

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# FROM 'DOING THE SHOPPING' TO 'GOING SHOPPING'

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# ***Doing the Shopping = HAVE TO...***

Functional, lack of  
category interest



Routine, frequent repeats



Necessary, standardized  
transactions







***Going Shopping = WANT TO...***





# Maslow's *Hierarchy of Needs*

## Self-Actualization

*Creativity, spontaneity, problem solving, mortality*



## Esteem

*Self-esteem, achievement, competence, confidence, respect*



## Love / Belonging

*Friendship, family, sexual intimacy*



## Safety

*Personal, work, financial, family, property security & health*



## Physiological

*Breathing, food, water, sex, sleep, homeostasis, excretion*



# Maslow's *Hierarchy of Needs*

## Self-Actualization

*Creativity, spontaneity, problem solving, mortality*



Mental



Physical

## Esteem

*Self-esteem, achievement, competence, confidence, respect*



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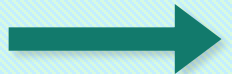








*The brand is defined by a purpose the consumer values more than the generic product benefits*



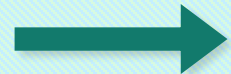
*... activates emotions*



*... activates a higher-level goal*



*... creates a strong link with the existing Brand Memory*

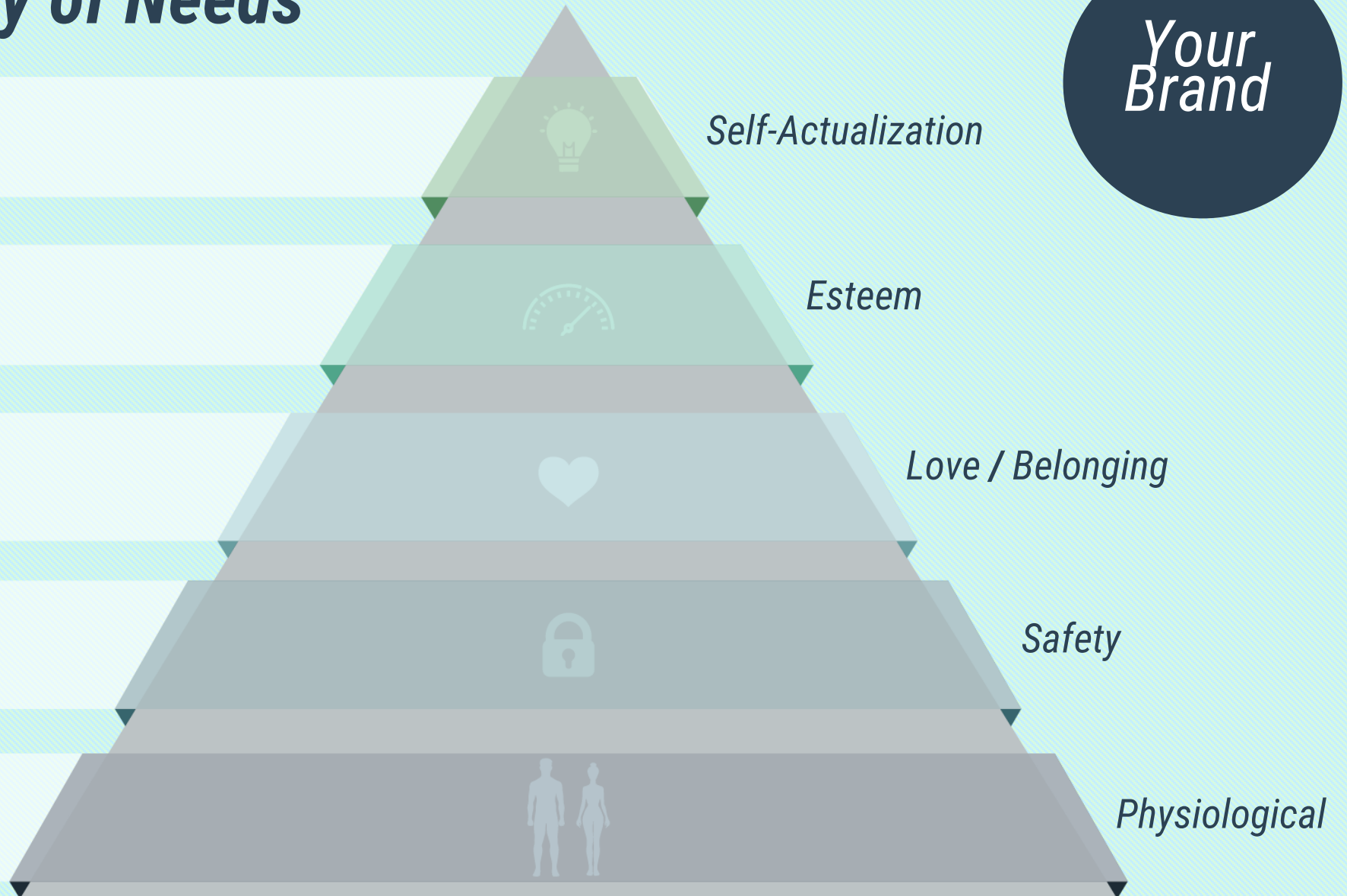


**The Consumer BUYS**



# Maslow's *Hierarchy of Needs*

Your Brand



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# GOALS AND DRDs

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# ***Nonconscious***

Drivers of behaviour

## ***Goals***

Deep Rooted Drivers of Behaviour



# ***Conscious***

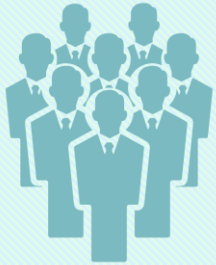
Rationalizations

## ***Stated Needs***



# Deep Rooted Drivers of Behaviour: Foundational, Hard-Wired Goals

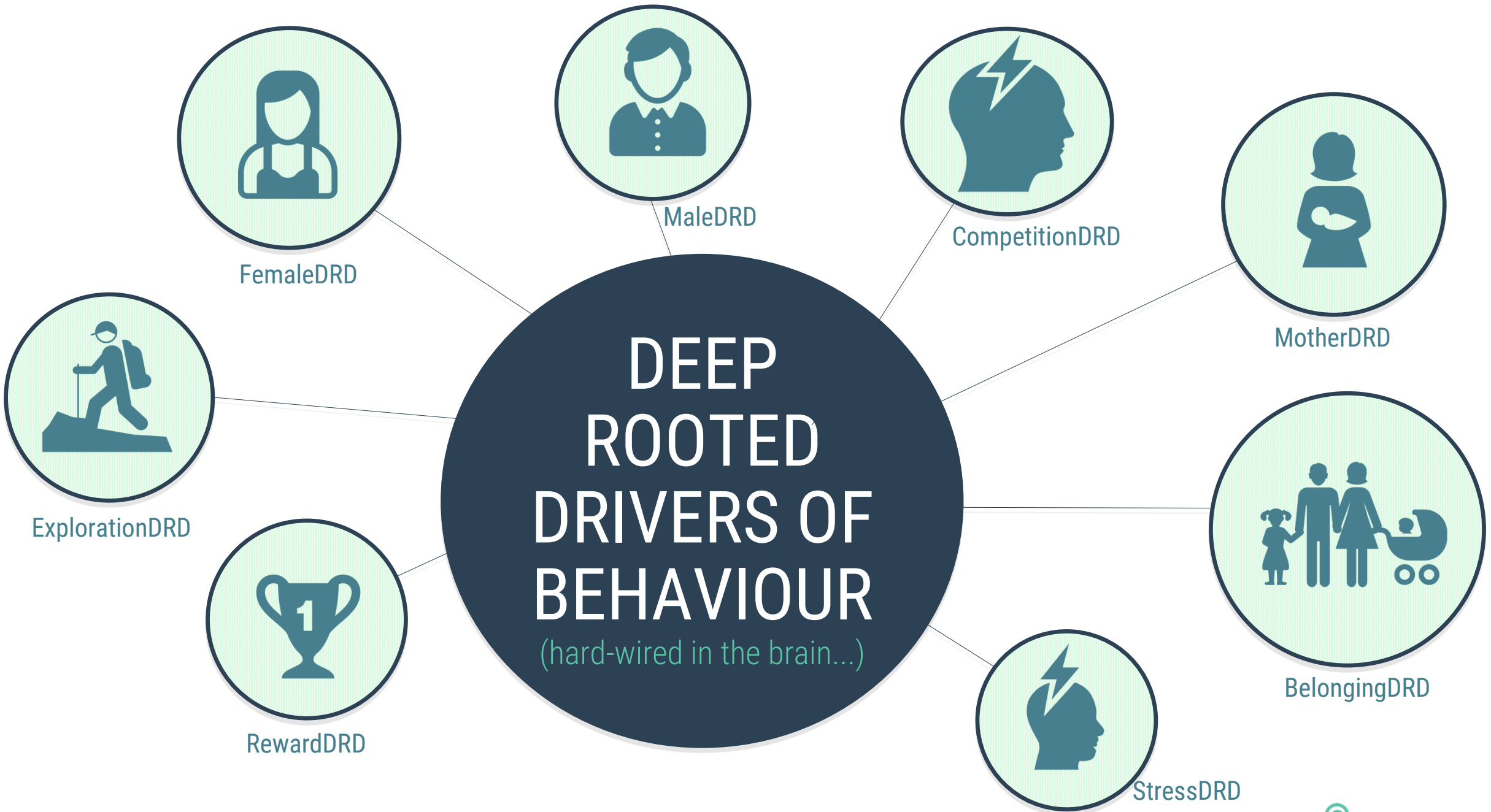
## EVERYONE



## SOME OF US











# *Mirror Neurons*





# Mentalizing







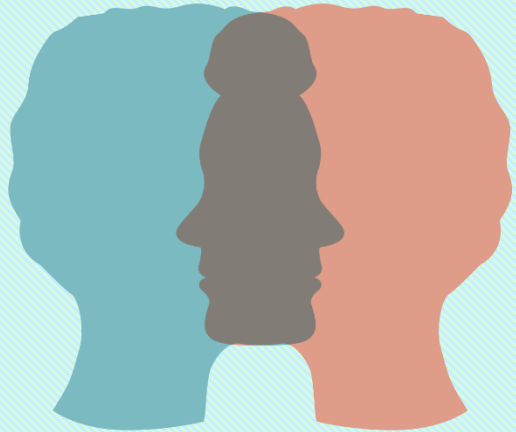


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# ***DRDs With Execution Relevance***

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***EmpathyDRD***



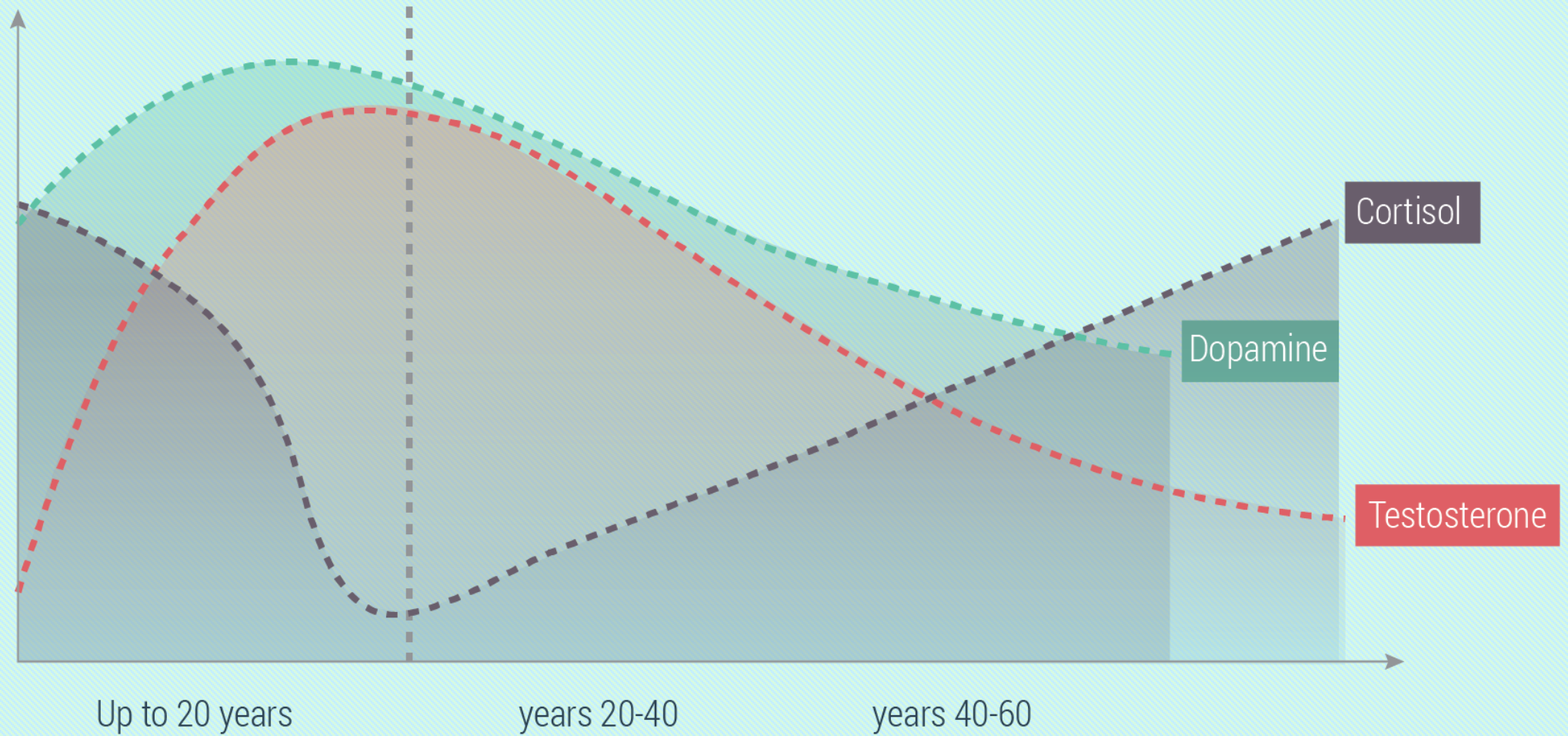
***MentalizingDRD***



***ShortcutDRD***



# Change in Neurotransmitters - Males



## Addressing a new goal

### Supermarket

- predictable
- repetitive
- boring
- always there
- success = less time spent



### Tschibo 'Wall'

- unpredictable
- always different
- surprising
- have to be quick
- success = an amazing deal / opportunity



# Triggering the ExplorerDRD...

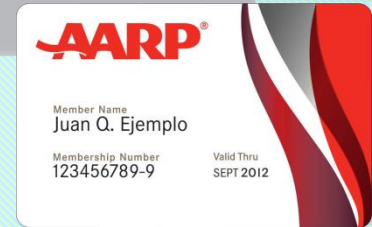
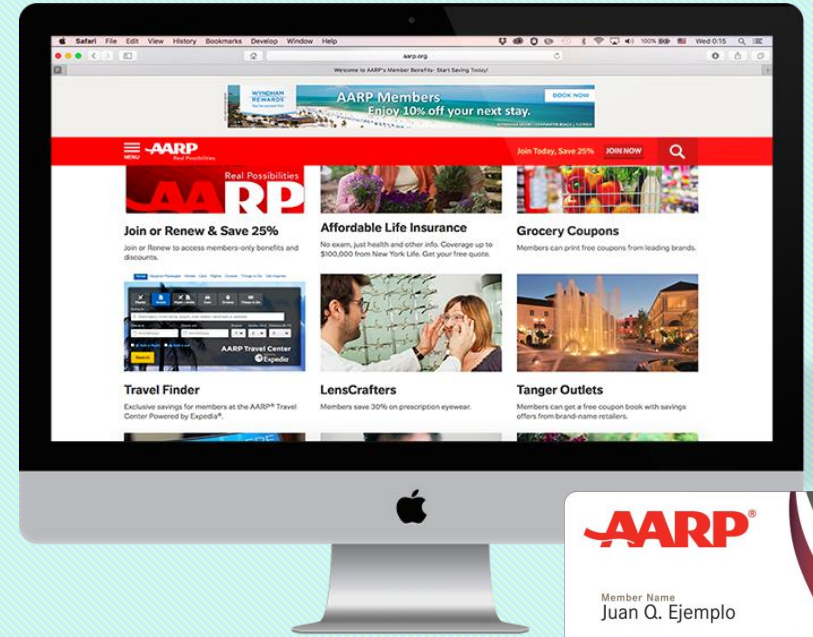
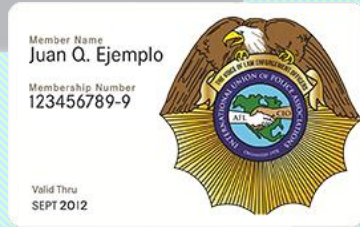
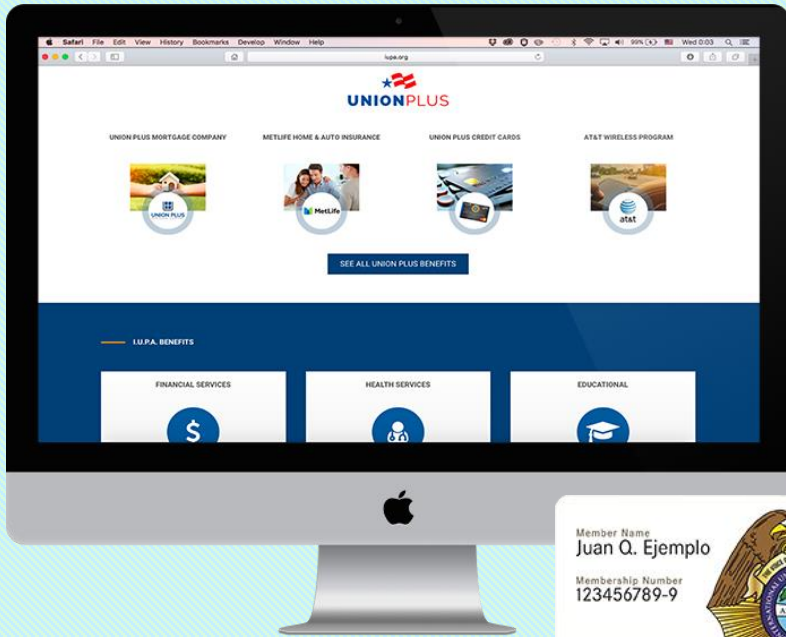




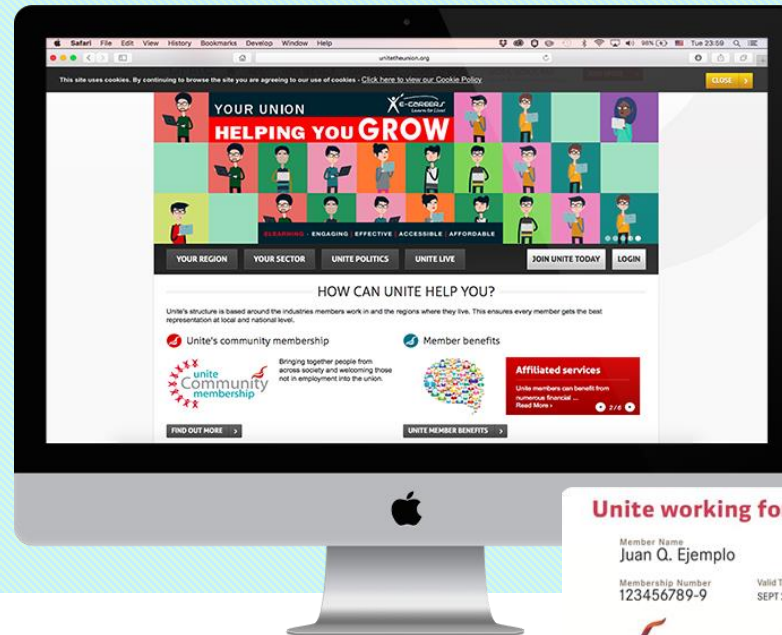


swatch<sup>®</sup>+

*Activating a different goal  
by changing the meaning  
of the offer*



# BelongingDRD





# Example: Online Grocery Shopping

## Shorter dwell time

- less exposure to primes & promos
- makes shopping even more boring
- reinforces the importance of convenience

## Results

- less impulse buying
- less 'contact' with retailer
- lack of relationship building
- little shopper loyalty



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***We have to re-think...***

*If we train the shopper to value convenience we encourage her to delegate shopping to a personal digital assistant!*





*Of course, a convenience mind-set is perfect for the providers of digital personal assistants...*





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# WHY SHOPPER MARKETING IS CENTRAL

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# 1 THE DECISIVE POINT

Where absolute superiority is not attainable, you must produce a relative one at the decisive point by making skillful use of what you have.

Carl von Clausewitz

quote fancy



# Shopper Marketing and the Integrated Path-to-Purchase

TOUCHPOINTS



CONSUMER'S PATH-TO-PURCHASE

PRIMES

PRIME	Launch ad campaign	On-line engagement	Sponsorships	Social media	Competitions	Packaging	Shopper marketing
logo/symbol	Teal	Teal	Teal	Teal	Teal	Teal	Teal
color	Teal	Teal	Orange	Orange	Teal	Teal	Teal
jingle	Teal	Teal	Orange	Orange	Orange	Orange	Teal
mnemonic	Teal	Teal	Orange	Orange	Orange	Orange	Teal
familiar context	Teal	Teal	Teal	Teal	Teal	Orange	Teal
fun	Teal	Teal	Teal	Teal	Teal	Orange	Teal
social validation	Orange	Teal	Orange	Orange	Teal	Teal	Teal
et cetera...	Orange	Orange	Teal	Teal	Orange	Teal	Orange

Objective: place primes in the consumer's mind and trigger these primes at subsequent touchpoints....

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## ***2 The Shopping Experience determines if future shopping tasks will be delegated***





### **3 Mood congruence:**

**Effective Shopper Marketing  
is adding value, not  
interrupting**

**We overcome AdBlocking**



*Shopping mode impacts on receptiveness to different types of messages*





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***4 Shopper Marketing  
concepts can  
eliminate Ad Fraud***



**5** *By engaging shoppers we keep them in-store for longer and can apply primes and triggers to boost purchases*





**6 Effective Shopper Marketing can trigger brand switching, can launch new products with impact, engage and involve...**



***7 Clever Shopper  
Marketing builds  
brand loyalty rather  
than capturing  
sales by lowering  
the price – and  
destroying margins***





# Controlled environments deliver captive audiences





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# PREDICTIONS...

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***1 Retailers & Brand Owners will increasingly collaborate to create exciting and rewarding shopping experiences***

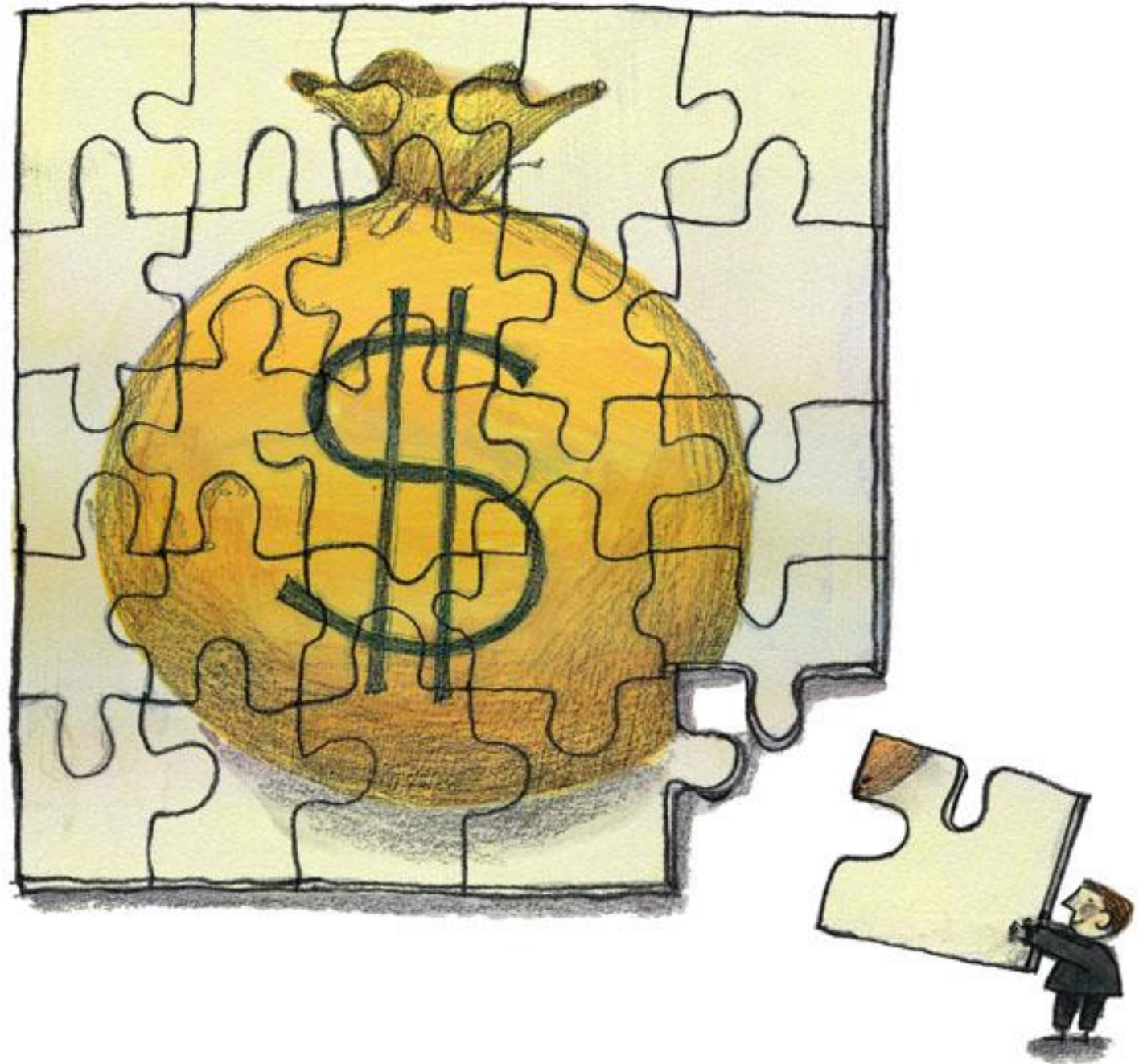


***2 Retailers will complement boring on-line catalogue stores with exciting and rewarding new store concepts that will engage shoppers and bring them back again and again...***





### ***3 Marketers will shift more of their spending to shopper marketing***




**POLICE LINE DO NOT CROSS**

***4 Store concepts & shopper marketing initiatives will be designed to overcome ad fraud and ad blocking.***



**5 Market research firms will develop early warning systems.**

**EARLY  
WARNING  
SYSTEM**



**6 *Shopper marketing, communications, media and research agencies will work on an integrated approach focusing on the decisive point.***

**FOCUSED ON YOUR VICTORY.  
NOTHING ELSE MATTERS.**





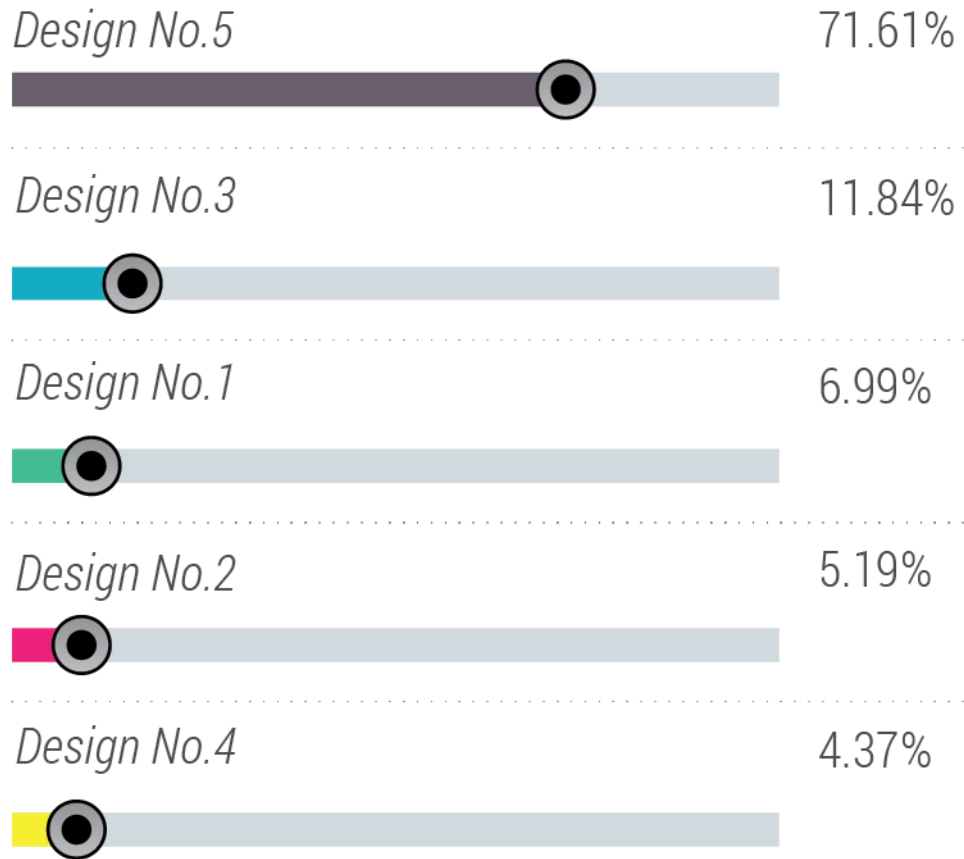
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# MONITORING IMPACT

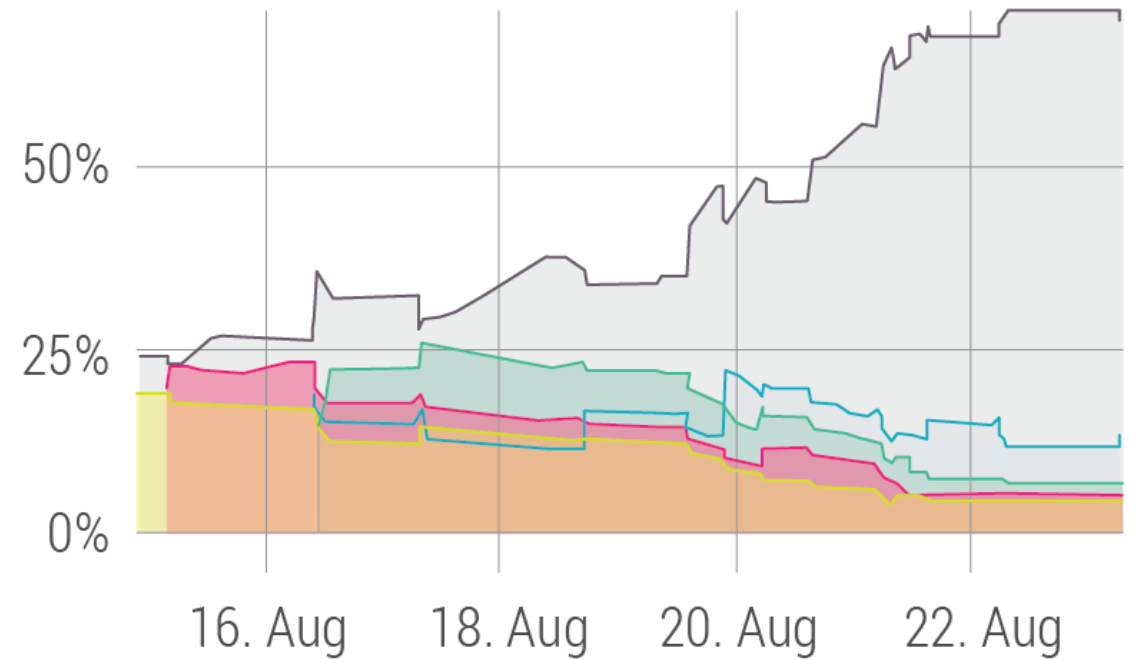
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# Predictive Markets



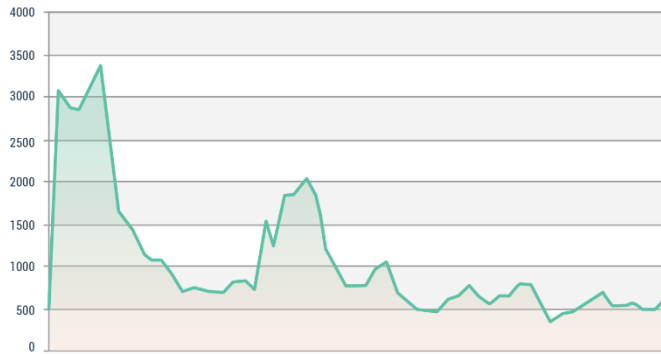
## prediki





# Indicators of Success

## Sales



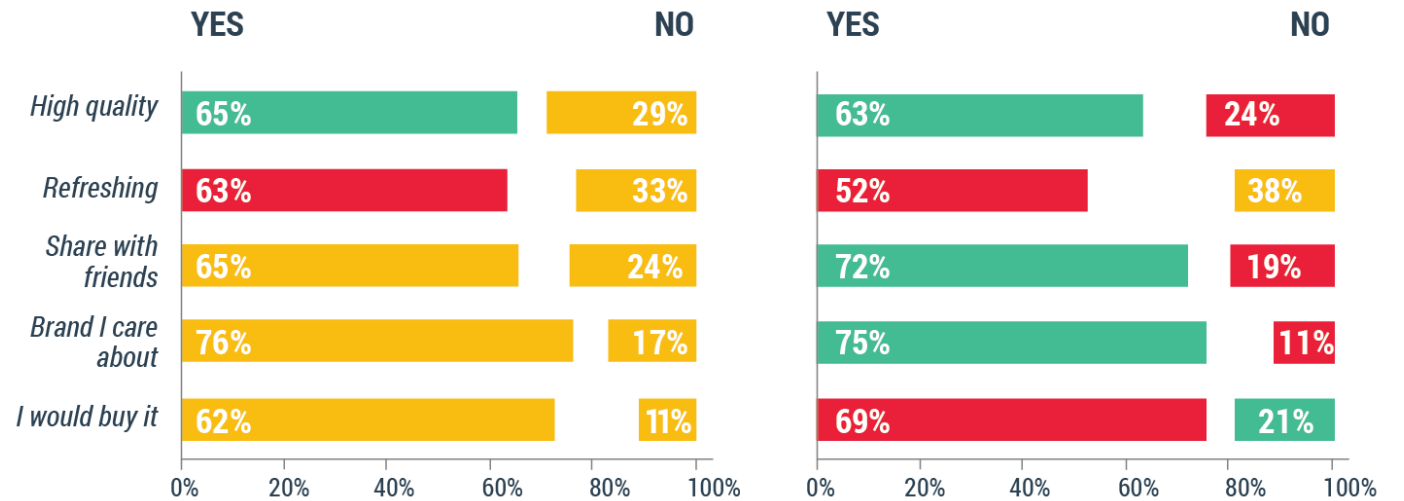
## Observation Studies



## Response Time Test

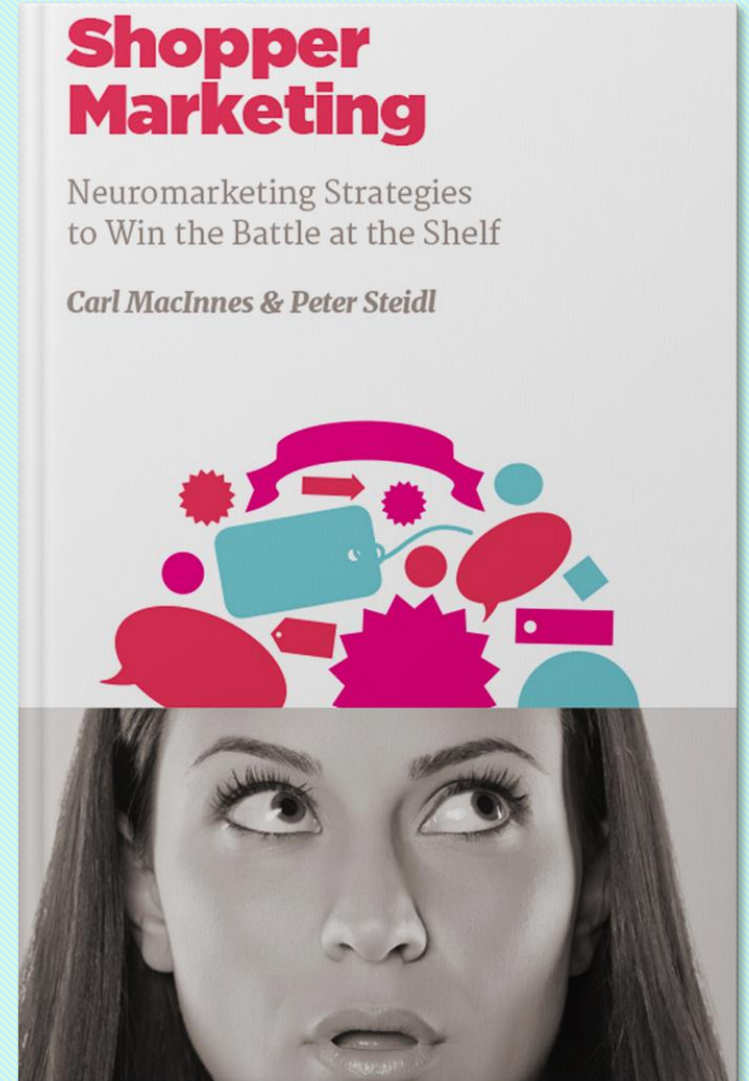
### BEFORE

### AFTER



## Further Readings...

**Neuromarketing Strategies to Win the Battle at the Shelf** (2016) by Carl MacInnes and Peter Steidl has been selected by **Shop!**, the largest global retail association with more than 2,000 retail members to provide input into the development of a global training & education program....

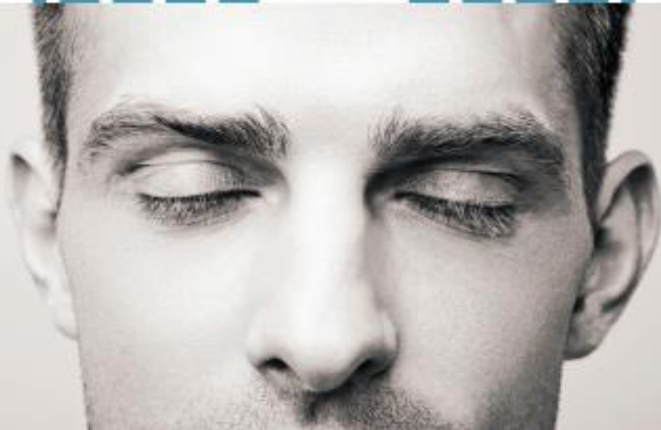




# Neuromarketing Essentials

What Every Marketer Needs To Know

*Dr Peter Steidl*



# Market Research Revolution

A Marketer's Guide to Emerging New Methods

*Paul Dovas, Luca Florentino, Campbell Grieve, Hubertus Hofkirchner, Carl MacInnes, Michal Matukin, Barbara Monteleone, Stephen Needel, Rafal Ohme, Peter Steidl*



# Brand Vision Archetypes

Creating Brands with Meaning

*Kim Boehm & Peter Steidl*





## ***Dr. Peter Steidl***

Peter advises Fortune Global 100 corporations, start-up companies, professional services firms, federal and state government agencies and not-for-profit organizations on the development and de-risking of marketing strategies and their execution. He has carried out assignments in more than 20 countries on five continents.

Peter is the author/co-author of 12 books and his articles. His commentaries and interviews have appeared in journals and trade publications and on radio and TV in Europe, Asia-Pacific, and the United States.

He can be contacted on [\*\*peter@neurothinking.com\*\*](mailto:peter@neurothinking.com) or via LinkedIn.

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