



# THE 2020 SHOPPER

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THE CENTRAL GROUP

Inez Blackburn



The year 2020 is quickly approaching and many of you have polished off your crystal balls or hired an army of tacticians to determine what to expect and what you need to do to prepare. If we took a moment and looked back at the predictions from the 60's and 70's we would come to an astonishing conclusion. We would discover that most of the predictions never came to fruition. Soothsayers from the 60's predicted that the start of a new millennium would offer the ability to vacation on Mars, have domestic robots to perform uninspiring chores and many diseases would be eliminated. Traditional bricks and mortar retail would be a thing of the past, virtual reality would be the norm and everything we needed would be available online. Refrigerators would automatically order your grocery list and your shower stall could diagnose disease. We would have highly efficient global supply chains and wait for it ... the cure for baldness. Unfortunately, all of these predictions had one thing in common.... They never happened except for the emergence of online shopping! Many of you would classify yourselves as domestic robots, and you vacation somewhere tropical rather than on Mars. How then, do we predict and prepare for the future in an arena of constantly changing shoppers and evolving technologies?

Before we embark on a path toward 2020 I would like you to consider the following questions:

- Shoppers and consumers are two distinct segments with a unique relationship. Many consumers of 2012 will be shoppers of 2020.
- Are we ready to face a future where shoppers and consumers don't buy brands, they join them?

- Do we really know how to stand up to our brand promise and commitment in an environment of unprecedented accountability, or a price value equation has evolved into a confluence of choice?
- Do we understand the impact and opportunity of consumers wanting to connect at an emotional level with the products they buy and the companies that create them?
- Do your products and services really solve your customers' problems better than your competition?
- Do we truly understand that 50 is the new 30 and 40 is the new 20 and the implications of failing to accept how consumers see themselves?
- Do we know how and why our products make life easier for our consumers?

History has taught us that every generation creates both challenges and opportunities. Those who succeed in accurately predicting the future understand that history creates generations and generations will continue to create history. We often believe that subsequent generations will be an extreme extension of the current with behaviors that mirror and expand. We have been conditioned to believe that change is linear when we look to the future. What will the world look like in 2020? What will consumers need and want? How will they live, connect and shop? What technologies will emerge and what technologies will be rendered redundant?

This research paper is the culmination of primary

and secondary research in order to provide a complete profile of current and emerging consumer and retail trends. Very early in my pursuit of predicting the future I realized that if you change the way you look at things what you are looking at changes. This research paper has therefore been designed to provide a behavioral, psychographic consumer profile of key shopper segments from the perspective of how they interact, embrace and influence the environment they live in. Understanding the emergence and convergence of technology and corresponding impact on our lives will also be addressed.

**FACT:** Our senses take in 11 Million Bits of information every second – seeing, hearing, smelling, tasting and spatial senses

- Our conscious brains process 40 bits of information per second – 99.9999% processed subconsciously
- Shoppers cannot tell us what they don't know!

**FACT:** Human brains haven't evolved to the point where they are compatible with the requirements of the 21st century

- With the escalation of constant distractions and interruptions, younger generations are losing their ability for critical thinking

We no longer have the luxury of focusing exclusively on reports identifying likes and dislikes as we are at risk of being misled. With all the information and shopper insights at our fingertips why do new products continue to have a failure rate in excess of 80%! Why do we continue to do the same thing expecting a different result by promoting products that are no longer relevant to our shoppers?

We have however, come to terms with the fact

that males and females are different with respect to needs, wants and how they interpret the world around them. We also realize that our brains really haven't changed much in the past 100,000 years. The primal needs of our ancestors still reign supreme. Did you know that males and females, fuelled by years of evolution and adaptation, react differently to any marketing stimulus? Women need to feel connected with a sense of community and men need to feel in control. Women still maintain their role as nurturer and caregiver and men are consistent with their behavior as hunter gatherers. In every life stage our brains change and adapt in the name of survival.

The greatest challenge for companies today is to get noticed, be liked and subsequently remembered. Do shoppers really remember the 40,000 products and messages they are exposed to on a typical shopping trip?

**FACT:** Did you know that your brain requires more than 20% of your total energy to function while representing only 3% of your body weight?

Male Brains	Female Brains
Independence	Empathizing
Act	Caregiver
Procreate	Memory
Mate	Socially Astute
Hunt	Multi-tasking
Alone	

The ease of processing any message is therefore extremely important. A complicated message is most often ignored as our brains are wired to move towards ease. Just imagine the path to purchase in a typical grocery store with distractions at every turn

and an overwhelming array of choice. When shoppers see a product, their eyes make contact and their brains connect any and all information to the image they see. A past experience, positive or negative, is therefore connected to the image in front of them. Simple messages and organization of information actually stand out in a sea of choice. If a marketing message takes more than a few seconds to understand there is a good chance that it will be ignored. Human brains are designed and wired to be emotional. Neuroscience has taught us that an emotional connection with your products and brands requires visceral, emotive images and shapes that are easily translated and understood. Novelty, eye contact and the potential of gratification and rewards forces our brains to take notice. Now just imagine a future where our brains actually evolve and are re-wiring with enhanced abilities to tune out unnecessary information.



Younger generations are much better at focusing, multitasking and tuning out irrelevant noise and information but as we age all that changes. Our brains change as we age as some of our senses are enhanced while others decline. A new mom's brain translates information very differently than a baby boomer with children so a similar message will be interpreted very differently. We accept and understand that women are better at multitasking and men excel with a focused effort. But do we incorporate this knowledge in all our marketing communications?

The role and impact of technology is extremely important as we have evolved into a generation to whom interruptions severely impact our ability for critical thinking. We are all struggling to adapt and thrive in world that continues to accelerate. Therefore, in order to understand what the future holds we must first understand why the world has conditioned us to make more sacrifices to achieve a faster speed for everything we do. Technology is the enabler and the catalyst and new consumer priorities and demands are the drivers. We are also coming to terms with the fact that a faster speed in who we are and what we do will drive our success or accelerate our failure. Speed will continue to influence how we live, shop, learn and communicate. Shoppers and consumers will continue to crave speed and have zero tolerance for anything slow. We now have sub-second point of sale transaction times, allocate 15 minutes to buy insurance and will lose patience within 5 minutes waiting in any line for any reason. We have all been conditioned to value and cherish time and who would have predicted that 18 seconds could make or break a relationship. Banks have cut times at an ATM's by 10 seconds to gain a competitive advantage and the English language has evolved in an array of acronyms (LOL) to save time while texting.

Since 1960 the average North American income has tripled and the average life span has increased by only 10%. We can't add more hours to the day and we can't artificially increase our life span so the only choice we have is to increase our speed. If we find a way to speed up we can get through the things we have to do so that we can get to the things we really want to do. Some of us will choose to limit our experiences while others will choose to expand and experience more. A recent poll by CQ Weekly indicated that the majority of people claiming to be time starved would rather speed up than reduce the number of things they had to do. We have evolved into a society with a multitude of choices and options allowing us to chase more dreams. We have become conditioned to speed up when completing unimportant tasks (cleaning and shopping for basics) and





slowing down to complete tasks that we value and enjoy (preparing meals for our families, eating with family and friends, shopping for non-necessities). Companies today have .75 seconds to get the attention of a shopper in store and less than 3 seconds online. Adding to the challenge is the fact that not all consumers are created equally as the brains of key demographic segments are measurably different despite the fact that human brains have not changed much in 100,000 years.

Humans have been hardwired to avoid sharp edges and prefer curved spaces. Humans are curved and are wired to prefer images that mirror the human form. We are visual beings with a significant portion of our brains dedicated to sight and interpreting images. We have all familiarized ourselves with the path to purchase and the key moments of truth but have we incorporated 100,000 years of evolution and brain dynamics in our marketing strategies and product offerings? Some companies invest in in-vitro marketing to engage the senses before birth while others are fixated on Price Promotion and Place. Yes, we do live in an impulse economy and we often put ourselves in the center of our universe surrounded by family and friends. How then, do you develop effective marketing strategies that speak to shoppers from a perspective of who they are and what they need versus what we want to sell?

We struggle to identify the major difference between buyers and shoppers and how to connect at an emotional level for a greater share of heart. We try to "optimize" the shopping experience with design, products and technology and call our customers guests and friends. The jury is still out as to whether shopper marketing is an actual science or a black

art as neuroscientists enter the shopper marketing arena. Do we truly have answers to the following questions?

- What really influences shopper behavior at shelf?
- How do evolving retail formats influence shopper behavior?
- What is the difference between a mobile device and a portable device?

The debate continues to rage as we finally are coming to terms with the perfect storm that retail in tandem with technology has created.

We continue to increase the clutter in stores in pursuit of an impulse purchase as a cue for savings. We leverage every inch of available space when we know that too much choice overwhelms and angers the shopper. Less is still more!

## **Mobile Marketing and Beyond Gartner's Hype Cycle**

ABI Research conducted a study that highlighted the fact that mobile shopping in the USA increased from \$396 million in 2008 to \$2.4 Billion in 2010 but only 5% of purchases are actually made from a mobile device. ABI Research also predicts that shoppers around the world will spend \$119 Billion on goods and services via mobile phones which will represent 8% of the total e-commerce market! Mobile phones will continue to play a pivotal role in our lives until we can produce children that are cable ready! AC Nielsen conducted a survey in 2010 and confirmed that in the US, consumers text on average 600 times

per month and major telecom companies confirm that for younger consumers aged 12-19 this number escalates to 600 per week.

**FACT:** Consumers under 50 send more texts than make phone calls making us a more effective social species. Understanding the modern shopper's social behavior is key as the hyper connected tech savvy consumer spends more as a multi-channel shopper +20%, is more loyal and influential amongst their peers.

These consumers prefer to communicate with other humans rather than machines and despite signing up for text alerts at a geometric pace the jury is still out on effectiveness as a marketing medium. The challenge lies in creating a medium that conveys a message at the right time in the path to purchase. Navigating the hype also requires an understanding of Gartner's Hype Cycle which predicts the adoption and critical mass of emerging technologies that starts with a technology trigger, peaks in accordance to inflated expectations and crashes in the trough of disillusionment. After the early adopters come to terms with a technology's shortcomings you move into a second chance mode in the slope of entitlement and plateau of productivity. Therein lies the path to obsolescence for emerging and converging technologies. Just because a new technology exists doesn't mean that consumers will embrace it.

### ***The need for speed – Mobile Marketing Texting - Critical Success Factors***

1. One Click is the only option
2. Understand the reason for embracing or signing up for text message
  - a. Pass or kill time
  - b. Save Time
  - c. Save Money

3. Staying connect and informed makes me feel good

2020 shoppers and consumers will want to connect and have a relationship with your brand. Traditional spears used by our ancestors have been replaced by electronic spears designed to enhance our lives. They are still a weapon of choice in a trajectory of evolution touching almost every aspect of our lives. Electronic and mobile devices help us to discover, engage, communicate, shop, travel and entertain. They help us find the best prices, promotions, products, restaurants, recipes and friends and in some cases spouses. They offer opinions and insight and connect us to what is important as well as hold us accountable. (Twitter, Facebook, LinkedIn)

### ***The Case for Technology - Opportunities and Insight***

Embracing the web is supposed to provide endless possibilities with access to all our needs 24/7. It was



## Texting across the generations

	GenX 1961-1981	GenY or Millennial 1982-2005	Young Boomers 1950-1960	Older Boomers 1943-1949
Signed up for some text alert	32%	27%	19%	15%
Airlines	5%	7%	7%	5%
Music Groups	10%	6%	3%	0%
Restaurant or Bars	5%	6%	4%	2%
Food/Drink Products	6%	5%	2%	1%
Radio Stations	10%	6%	3%	0%
Weather	16%	13%	11%	7%
Magazines	5%	5%	1%	0%
Sports	7%	10%	6%	2%
Traffic	5%	7%	2%	3%
Other	5%	5%	4%	4%

Source: Insight Express Mobile Consumer Research, July 2010

positioned as an aisle of endless possibilities as we migrate to "Clicks" from "Bricks". Unfortunately, for many technology providers, "Store Fronts" on a mobile device are not designed to provide access to a limitless aisle but rather access to a product on a constrained shelf.

### Key differences;

1. A physical Store is a "limited" Retail Space
2. An online or web store is a "Limitless Aisle"
3. A mobile store front is a "Targeted Aisle"

The challenge lies in understanding how these technologies interact and support each other, and the role and opportunity of Social Media. Do we really know how to close the relationship loop with online storefronts to reduce abandoned shopping carts? Understanding the difference between what devices create awareness and interest and actually assist in the selling process versus what devices are involved in the transaction is a prerequisite for success. For

example you may use your iPad to do your research on your path to purchase but will use your mobile wallet to make the purchase. A portable device (laptop) is focused on an endless and limitless shopping experience and a mobile device (iPhone) is focused on a targeted experience.

Linking to your website through an electronic medium or killer application must result in strengthening your relationship with your shopper or consumer. QR Codes for example were initially designed and developed in Japan as an industrial standard for warehousing designed to increase productivity and efficiency with an expanded ability to store information. The migration towards QR Codes has been a difficult one as Near Field Communications NFC is making it easier for shoppers to tap rather than scan. Too often marketing decisions are misguided tracing to a challenge that has plagued us for decades. Statistically speaking, in the world we live in women do the buying and men do the marketing. The great divide and mismatch results in a graveyard of flawed marketing decisions. Staying relevant in a sea of choice





and growing up with your customers will define your success or demise.

It is important to distinguish between the types of mobile devices as they are offered in 3 flavors – Fixed, Portable and Native. Think about what requires one hand versus two hands to use and move.

1. Mobile connected **Fixed** devices (televisions)
2. Mobile connected **Portable** devices (laptops, tablets)
3. **Native** mobile devices (handhelds, cell phones)

\* Source: Gary Swartz, The Impulse Economy

Success in this arena requires an understanding of how mobile storefronts appear on these devices and how they will be used. Shoppers navigate small screens differently than their larger screen devices. Shoppers migrate to a top seller or recommended

lists on small screens in pursuit of easy navigation and relevance. The speed that we seek must always be tempered by simplicity. Smart Phones are essentially a messaging and communication device that can, if you want, enable a real conversation. SMS is just one of multiple communication channels (MMS, Twitter, Apple, IMessenger, APP Alerts and Facebook) that are important to a shopper. Digital Media has also come of age as we strive to get that ever illusive shopper attention. Humans are wired to notice movement so digital media, animated ink and virtual reality will get a shopper's attention but be careful if you assume that it will automatically result in a stronger relationship. We are conditioned to watch our televisions in our living rooms in the absence of shopping carts and noise. Transporting the medium to a store environment must be carefully planned and tested before deployment.

***Emerging Demographics – Understanding Shoppers and Consumers***



# THE 2020 SHOPPER

Too often we incorrectly assume that the future will be a straight line extension of the past. The last 10 years has taught us that this is no longer the case as social and behavioral change is non-linear. The light bulb was not the result of continuous innovation of a candle and the next 20 years will see the elimination of 2 generations (G.I Generation 1901-1924 and Silent Generation 1925-1942) and the rebirth and growth of others. As we age we come to the realization that who we are is shaped by what we experience and we always remember how old we were when a major event occurred in our lives. We remember births, deaths, 9/11, Pearl Harbour and the Kennedy Assassination. Our age at the time of the event is the major catalyst in determining how we react and internalize the experience. Each generation is therefore influenced by the major events that took place in their lives.

New and emerging generations will continue to fill

the void left vacant by their predecessors. New generations will transform aging into a confluence of values and experiences. Social responsibility, sustainability, sense of belonging and community will require current generations to take more risks and make more sacrifices. The world has changed over the past 3 decades as lifespans have increased and the standard of living, despite recent economic setbacks, continues to improve. The global population is increasing, aging and connected but there is a significant difference in the growth, affluence and demographics of emerging economies. There is an escalating demand for speed in every area of our lives as ageing and affluence combine to create an insatiable demand to compress as much as we can into smaller time bites.

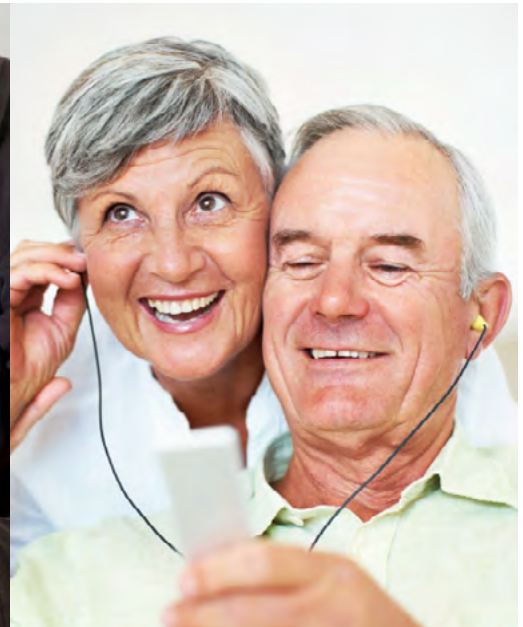
Older generations have more affluence and want to use their wealth to experience life and all it has to offer before it's too late. Generation Y represents



**In 2020 the 20-year old has never lived in a world without mobile phones and the Internet**



**In 2020 the 50-year old is playing video games and experiencing the Peter Pan Syndrome**



**In 2020 the 70-year old is listening to Pink Floyd, has an iPod and a voice activated communication device**

**\* Source: Gary Swartz, The Impulse Economy**

that largest percentage of university graduates in history to live with their parents (North American 30%+ after graduation). This trend will definitely impact future life styles and shopping habits. People no longer belong to a prescribed age bracket as a woman of 30, 40 or 50 have much less in common with a woman of the same age from previous generations. A typical North American woman that was 40 in the 70's or 80's has very different memories, languages, preferences and beliefs. Women of 40 today have more in common with women in their 20's in the 1980's and 90's. If you want to understand and predict what 40 year olds will be like in 20 years look at today's 20 year olds. Then take a more global perspective to understand how generations differ and align across nations. If you want to understand what the future holds talk to 15 year olds because in 10 years your preferred 30 – 45 target will enter their middle age and will be displaced by their technically savvy environmentally conscious and demanding Millennials or "Generation Text".

In order to put this into perspective it is important to understand what needs and wants drive the demand for goods and services by generation. What is each generation like now and what key factors will determine how they will be in the future? In 2005 the media was obsessed with aging **Baby Boomers (1943-1960)** as older Boomers wanted to transform aging into a meaningful way of living and being. Self-indulgence has been replaced by self-denial in their pursuit of the "Fountain of Youth". Older generations will pursue products and a way of living that is an extension of their beliefs demanding high tech medicine, holistic health care, natural and whole healthy foods. They will age, become frail and more demanding as they struggle to control their environment. They will form anti-retirement groups and blogs fueling the demand for high end products and services.

**Generation X (1961-1981)** will change perceptions of mid-life as they enter their 50's as they are the generation exposed to the most choices. They saw opportunities, took risks and are in fact exhausted and being part of this generation, I com-

pletely concur. But despite exhaustion and escalating demands, this generation will still maintain their positions as risk takers. They grew up in an arena of failing schools and marriages in the midst of a sexual revolution. They are obsessed with creating strong family connections that they missed in childhood. They have secured their positions as the greatest generation of entrepreneurs and immigrants and will continue to be a dominant force in 2020. They will demand service, convenience and quality.

Generation Y or The Millennial Generation (1982-2005) This generation will seek security, belonging and community.



The oldest of this segment has graduated and actively engaged in the workplace, seeking community teamwork and protection against risk. They gravitate towards larger institutions and seek balance professionally and personally. This generation is more positive and prefers positive messages, big brands and is more conventional. The connection they have with their parents fuels their demand for nostalgia, retro and remakes. It also explains why 30% moved back home after graduation. The recession and lack of employment explains 10%. Old is definitely new again with this generation. They are comfortable with technology and will continue to be early adopters. This generation has also been coddled by their parents who over compensated for their lack luster childhood. Most are culinary impaired and will seek convenience and instant gratification over cooking lessons and yet cite reality TV focused on cooking as a favorite.

## *The Homeland Generation 2005- 2025*

This generation will experience a stronger extended family with their Generation Y parents. They have already embraced technology as many two year olds have already used an iPhone or iPad. They are as close to cable ready as is humanly possible as almost every aspect of their lives will be influenced by technology.

The table below summarizes current and future generations' behaviors and preferences:

## *2009 – 2012 - The Era of Postponement*

Thankfully, most of us survived "The Era of Post-

ponement" and shopper obsession with basic needs and fiscal restraint. We need to take a closer look at our shoppers and consumers by key segment to truly understand what was gained and what was lost.

Most retailers and CPG Companies have been impacted in some way, and probably not positively, by the current economy. Sales and marketing personnel continue to come to terms with balancing share of heart and share of wallet. The recession has impacted consumers' overall wealth and the historical focus on disposable income has shifted towards savings and replacing lost wealth. As wealth is lost, consumers have a greater propensity to postpone major purchases as they focus on savings instead of spending.

2020	<b>Silent Generation</b> 1901 - 1924	<b>GI Generation</b> 1925 - 1942	<b>Baby Boomers</b> 1943 - 1960	<b>Generation X</b> 1961 - 1981	<b>Generation Y Millennials</b> 1982 - 2005	<b>Homeland</b> 2006 - 2020
Key Events	WWI Roaring 20's	Stock Market Crash	Affluence	Watergate Woodstock	9/11 Y2K	Post 9/11
Age in 2020	96-119	78-95	60-77	39-59	15-38	0-14
Embrace Technology	N/A	Yes, if affordable	Yes, and technologically savvy	Yes, Dot Com drivers and innovators	Absolutely	Almost wired at birth
Shop Online	N/A	Yes	Yes	Yes	Yes	Yes
Prefer Bricks, Clicks, or Both	Bricks	Bricks, Social Interaction	Bricks, Clicks, Speed and Convenience	Bricks, Clicks, Price, Rewards and Service	Immediate Gratification and Impatient Embrace online opportunities	TBA
Attention Spans	N/A	Compromised By Age	Broader and more focused. Need time and consideration	Yes dot Com drivers and innovators	Absolutely	Almost wired at birth
Messaging	N/A	Simple and readable with easy images	Familiar is believed as the truth. New is often not trusted	50/50 trust of new and jaded by prior experience	Mommy brains are different Prefer images on left and message on right – need sense of community and belonging	Virtual, Digital and Text
Communication	Simple and verbal	Simple verbal and patient	Waiting to connect and want brands as a trusted advisor. Need to connect in a new way	Permission based relevant and timely – Women react to image and character of a brand	Technology driven in preferred medium. Trust peers more than brands for references.	Immediate gratification



Consumers today are cautious and somewhat fearful of their future and will often postpone purchases as they resort to more modest behaviors, values and beliefs. Consumers' needs and desires have evolved and marketers must be prepared for an era of conservatism and fiscal restraint at least until consumer confidence is restored. Disposable income can be restored with a new job or promotion, but how will consumers change their behavior with respect to lost wealth and savings?

## ***Playing the Promotion Game***

We see proof all around us as there has been an increase in the appeal of a sale and deep discounts. Consumers did have a renewed interest in promotions and price discounts as they struggled to balance their budgets. Private Label sales also experienced growth as consumers migrate towards savings without wanting to compromise on quality. They often postpone purchases to take advantage of promotions or load their pantries when items are on sale.

Ironically, consumers who previously enjoyed significant savings and wealth then realized a loss are the most affected with respect to buying habits. On the other hand those with limited savings may not adjust spending patterns with the same reservations. But how do we adapt and evolve our current marketing mix to reflect the new economy? How do we create promotions where consumers can leverage what they have to create a new outfit or meal or experience? We must create an environment where consumers will continue to buy and feel confident rather than guilty.

## ***Focus on Value, Service and Quality***

Consumers really haven't changed who they are and what is important to them. Consumers still have the same expectations with respect to value, service and quality. Today's consumer wants to be treated with respect in an atmosphere of convenience. They essentially want the "Fountain of Youth" at a discount. Self-esteem is extremely fragile and at an all-time

low as families struggle to maintain their standard of living and their dignity. They don't want to be reminded that they can't afford what they want and they don't want to feel guilty for wanting things.

Many of us have been affected by the economy and many of us may never go back to our previous status, but that does not mean that we don't want it. We are all making sacrifices to make ends meet and we are sensitive to price but that doesn't mean that price discounts are the only way out.

We can more effectively connect with consumers by demonstrating compassion and understanding. Just imagine if you gave free coffee and a donut to all your customers for a day instead of a coupon.

## ***Global Trends and the Race for the Future***

While the majority of this research has focused on emerging demographic shifts in North America we cannot overlook global population trends and influences. I have decided to segment the world into two distinct segments – Old World Economies and New World Economies.

### **Old World**

- North America
- West Europe
- Austral Asia
- Japan

### **New World**

- Latin America
- Asia
- East Europe
- Middle East and North Africa
- Africa

### **The World**

In the past 10 years the world's population has

grown by 763 Million (3 times the USA's population in 1990). The Old World grew by 57+ million and the New World by 706+ million. North America's population growth is fueled by Hispanics, Asians and South Asians. The population in North America is also experiencing declining birth rates and an aging population. The New World is experiencing continued growth and escalating affluence with emerging economies and brands. Labour is becoming more expensive as manufacturers in the West are looking to Africa for cheap labour for manufacturing. The New World is young with new ideas and beliefs and will not be constrained by outdated old world values.

The Old World has a decisive role to play in 2020 and beyond with respect to new products and brands. New companies will continue to emerge and thrive while many others will meet their demise. Understanding the growing importance of ethnicity will be critical. In Canada, South Asian dialects are spoken more frequently than French. Spanish will be spoken by 30-40% of the American population in the next 20 years. Obesity and corresponding health issues such as diabetes will continue to grow, impacting demand for healthier food choices and lifestyles in the Old World.

New World economies will go head to head with multinational brands as they battle large local and regional players. Local and regional players are likely to expand geographically and target the Old World for expansion as migration continues. Private Label is expected to thrive in the Old World and gain momentum in New World Economies. Multinationals are also faced with escalating category threats from locals as they continue to come to terms with the fact that one size does not fit all. Nationalism drives localism as shoppers will pay a premium for authentic local brands from companies who understand cultural differences. The future has already arrived as global trends in immigration and acculturation fuel the demand for products that are familiar and trusted. The Old World continues to feel the wrath of new immigrants and nationalists who would rather preserve their culture than assimilate. Old World companies often create categories and New World

companies, through a better understanding of their consumer's values, beliefs and behaviors grow categories. Taking a product to a new market with the same marketing message will not stand up to the strength of nationalism and the influence of locally based companies.

## **Conclusion:**

The year 2020 will create many challenges and an equal amount of opportunities. Shoppers and consumers will change and evolve as they enter each life stage and new segments will emerge as others disappear completely. Traditional retail will continue to thrive and evolve with more service and targeted assortments. Consumers in 2020 will be more demanding and less forgiving and will value family and community and strive for more time. Technology will be embraced if it adds value, convenience or time to a shopper experience but will be ignored if the technology is rendered as more of the same. Shoppers will continue to join rather than buy brands and what a company stands for will be equally as important as price and quality. Baby Boomers will still pursue the fountain of youth and continue their journey of denial.

Retail will continue to evolve by focusing on a stronger value proposition rather than price promotion and place. Healthier foods and lifestyles will continue to grow in importance and the environment will remain top of mind. Technology for the sake of technology will not work and the mantra of "If you build it they will come" no longer applies. Shopping carts that talk to you and self-check-out may not survive an aging population that struggles to tune out noise while demanding service. Technology however will be more effectively leveraged to understand shopper behaviour and preferences.

Consumers may forget what you said and may even forget what you did but they will never forget how you made them feel!

Unfortunately, the onslaught of technologies, initiatives and acronyms designed to address declining

margins and more demanding consumers have not resulted in the expected breakthroughs in the past decade. To move beyond the current state, we have no choice but to take responsibility and work together in the name of survival and profitable growth. The light bulb was not invented through continuous innovation of the candle and we must look beyond the confines of our companies and cast a wider net in pursuit of a solution. Discovering new ways of working together and serving our customers will require participation and commitment from all stakeholders.

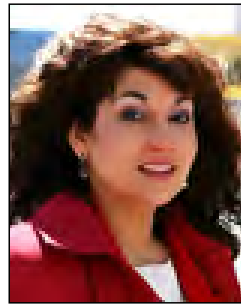
It will demand the creation of a culture that promotes and rewards collaboration and it will require formal protocols that enable multiple points of collaboration. It will demand understanding and acceptance of consumers at each life stage. We will need to understand what drives current performance to understand what we need to change and what needs to remain the same. It is now a requirement to view your trading partners and current relationships as a competitive advantage rather than a source of conflict. We must learn how to co-create with our consumers to create products that they need and want. Understanding strategy from the perspective of jointly agreed growth is key.

It is up to us to implement change and prepare our companies to succeed well beyond 2020. We can no longer stand in the shadow of our potential and must have the courage to question the status quo.

We can and we will embrace the future and create change through our commitment, courage, and passion for who we are and what we do. You can be your own inspiration.

Change is possible if you allow faith, not fear, to drive innovation and growth.

## ABOUT THE AUTHOR



Inez Blackburn is a globally recognized speaker and industry leader, innovator and pioneer in launching global brands with over 25 years' experience. She has worked with many Fortune 500 companies and led numerous executives through

her Positioned for Profit Seminars and Marketing to the Max Workshops. She has been on the Dean's list for excellence in teaching for 10 years and is a featured trainer at numerous executive events. Her first book *Pride Passion Profit – 7 Steps to Category Development* has sold over 5,000 copies and is well positioned to help companies take their category plans to the next level.

Inez Blackburn is currently the Director of Research at The Institute for Retail Innovation and Education (The Central Group) and an Adjunct professor at the University of Toronto, Wright State University, and S.P. Jain University in Singapore and Dubai. Inez conducts both quantitative and qualitative research in a State of the Art Research facility and ROI Lab leveraging best in class technologies and research protocols.

Prior to becoming addicted to research and an Adjunct Professor, Inez held numerous executive positions for numerous CPG Companies for National Brands and Private Label. She was the Vice President of Marketing for Cott Corporation where she was responsible for developing and launching Private Label Brands for major retailers in Canada, the United States and Europe. Inez also held progressive positions at Nabisco, Robin Hood Multifoods, Red Lobster Canada and for those of you who remember Consumers Distributing.



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**The Central Group** is an award winning marketing at retail company specializing in packaging & display. We offer innovation that goes beyond the confines of packaging and merchandising towards a total marketing solution at retail. **The Central Group** doesn't just read about the next trend in shopper insights or retail technology. We search the world for what's new and what's next and validate our solutions in our ROILab\* creating the perfect balance between a Retail Environment, Emerging Technologies and Shopper Insights.

**The Institute for Retail Innovation and Education** is a research and education knowledge bank created to bridge the gap between marketing-at-retail theory and practice. The Institute is an industry focused research and education facility with strategic alliances with academia and industry leaders. We are committed to research and education programs that will challenge, inspire and create a valuable opportunity to unlock the key drivers of marketing at retail innovation.

\*ROILab™ is our state of the art research facility where clients and our in-house design teams develop innovations in packaging, merchandising, display and technology