

The new laws of attraction to survive the retail apocalypse

 By Leigh Andrews

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In the second of three sessions held at FCB Cape Town, open to staff and clients alike, FCB Red Chicago's retail strategy group lead Curt Munk explained that retailers and marketers alike need to understand the new laws of attraction in order to survive what he dubs 'the retail apocalypse'.

We knew we were in for a treat as Munk works with many of FCB's offices around the world to grow their retail practice and client business, and has designed stores, shopper experiences and retail work for over 45 brands. So he's got the experience, but also the knowledge, and definitely knows how to share it as he teaches marketing and research at DePaul University in Chicago.

Munk began the session by explaining the FCB Red brand positioning: As a shopper marketing brand agency, they capitalise on the colour 'red', as it stands for Retail, Engagement and Digital - what they see as the three essential pillars of retail today. He added that they believe every interaction is a brand opportunity and a chance to change shopper behaviour.



FCB Red Chicago's Curt Munk.

Local trend forecaster Dion Chang agrees with Munk's overview of the retail apocalypse, stating, 'There's blood on the retail floor'.



#BizTrends2018: The new rules of retail

Lauren Hartzberg 29 Jan 2018



In the US, there are currently 22bn square-feet of retail, but the shift to e-commerce means actual physical retail spend has dropped in the US, mirroring the global trends. So consumers are spending the same if not more than ever before, they're just doing so in different ways. Don't take that to mean bricks-and-mortar is dying though, as it's predicted that 85% of retail spend will still be in physical stores come the year 2025.

Fashion, in particular, is expected to top out at 25% e-commerce, as for the rest you simply need that physical experience of touching fabric and trying on sizes. As proof of this, Munk spoke of Bonobos, which started out as 'online only' but needed a physical store to grow. So not only are more and more malls being built in the US and elsewhere, but we're shopping at more stores than ever before, and we're shopping more than ever.



#BizTrends2018: Malls think outside the box to win over shoppers

Paul Gerard 12 Jan 2018



Explaining the trend of 'shopping more than ever', Munk shared that something new is driving retail growth. Looking at shopping occasions per person per week in the US, the figure was at 19 hours per week in 2012 and 36 hours per person per week in 2016 – that's almost as much time as the average person spends in their jobs!

This is largely due to mobile shopping moments, so retailers would do well to tap into that desire for more mobile shopping

moments. This figure factors out to almost 300 shopping events per household in the same year, so shopping is definitely becoming a hobby for many people through the rise of apps.

“ *Attraction is the real currency of retail today* ”

The global shopper-marketing trends helping the best retailers win



Examples of retailers employing the new rules of attraction.

Next, Munk explained what retailers can learn from others doing well in this space...

1. A new level of synergy

First, he pointed out the interesting desire to partner with brands you wouldn't normally associate with, in a clever way. For example, take what Ikea Australia and Airbnb did a few years ago. To function well, Airbnb listings need beds, and Ikea beds need bodies in them. Pair them together for pure magic:

Similarly, Munk mentioned the work done by Virgin Hotels and Gap in the US, where there's a link to the Gap site on the hotel reservation website, so guests can pre-order clothes for their visit and have them delivered to the room within three hours of placing the online order. That's snappy service.

Munk also mentioned that lots of trends taking place in retail today have already happened in music. Take musician Beck. He realised that 94% music reaches audiences via streaming today, so musos need to do something different to keep the cash flowing.



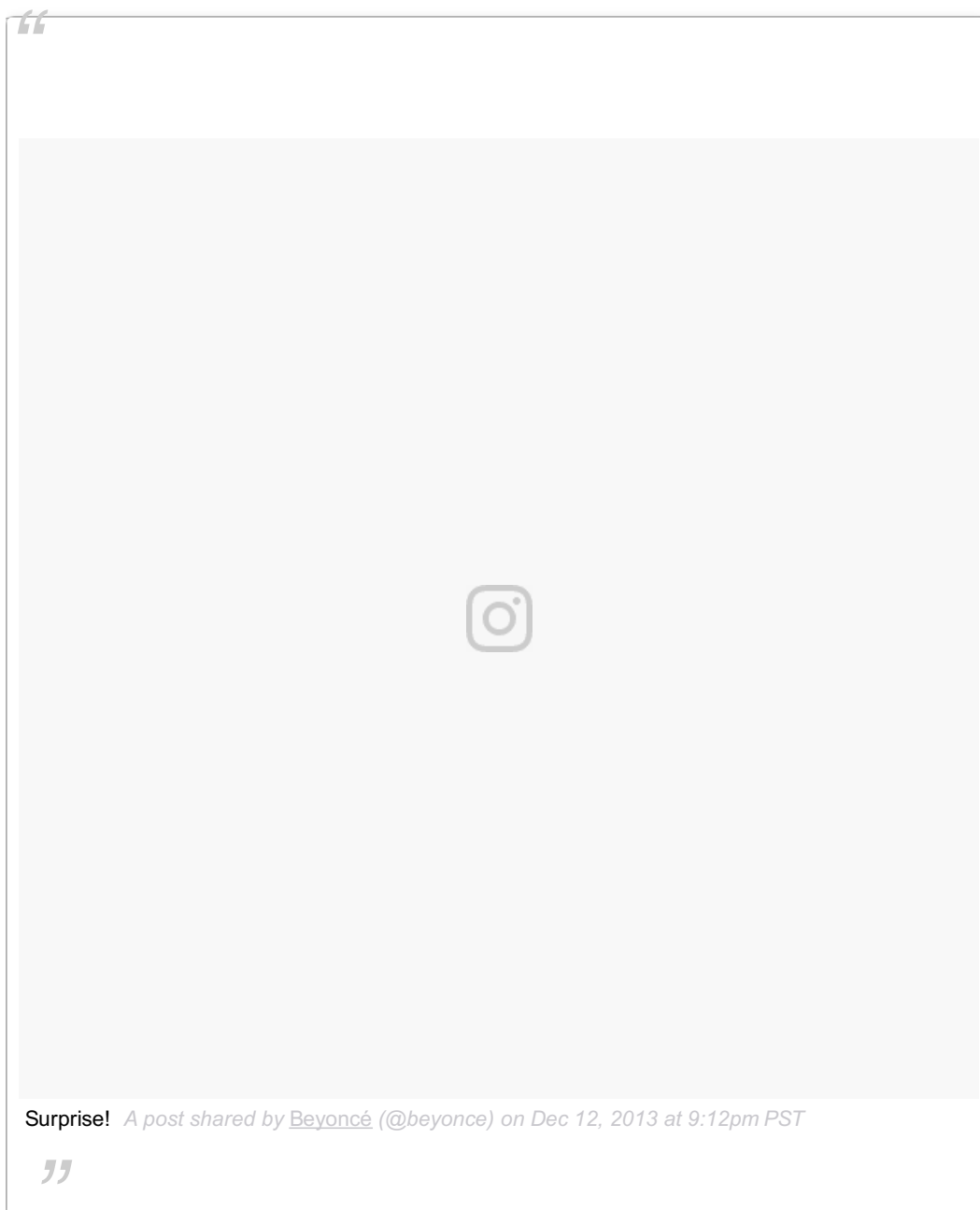
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They make music today by offering experiences like concerts, unlike their predecessors from the ‘non-digital’ era who could rely on album sales. Beck took this to heart when he released his [‘Beck Hansen’](#) Song Reader project – a sheet music book where personalising and even ignoring the arrangements was encouraged, as well as a separate LP.

Then there’s Beyoncé’s *Drunk in Love*, which took an entirely different tack by not telling anyone the album was releasing ahead of time – relying on her Facebook and Instagram accounts to spread the message – and sold 835,000 copies in the first few days with zero traditional marketing budget.



Grammy acceptance speech

that he has to produce songs so fast that are culturally relevant when creating albums, he actually can’t keep up any more so is only releasing singles from now on as that fits the modern era. He’s quoted in *Forbes* as stating,

“...I'm pretty sure that I'm not going to be doing any conventional albums at this point... I feel like, for the kind of music that I do, releasing things digitally as soon as I think of them is a bit more efficient in terms of getting my music out.”

2. Get alongside your real business

Shifting focus back to retail brands, Munk mentioned House of Vans skate shoes, a Vans brand-owned platform – they suddenly saw more brands entering their space, and with their main consumers tending to spend “110% of their income,” they realised the need to share an experience and that the younger set will chase what’s cool, so they have opened indoor skate parks in their London and Chicago stores.

Sticking with shoes, Munk mentioned the Toms ‘philanthropist shoes’ created by Blake Mycoskie that popularised the brand’s one-for-one model, where each pair purchased means a pair is also given to the disadvantaged. This fast turned into a global movement and because of popular culture trends today, they’re better known as ‘Tom’s Roasting Co,’ which donates safe drinking water when you buy their beans, than for the comfy espadrilles that mean someone without the funds is wearing a pair, too.



Cannes LionHeart Award goes to Blake Mycoskie

16 May 2016



Describing their evolution, he said: “Now, Toms are coffee stores where shoes happen to be available.”

3. Be where and how shoppers want to buy today

To illustrate this point, Munk spoke of the Kate Spade ‘Saturday’ pop-up store powered through eBay – an interactive storefront, largely carried out via an iPhone-like touch-screen interface on the wall, there was no need for any inventory at the ‘shop window’.

Customers paid with credit cards, for delivery within an hour anywhere in the city. That’s cutting-edge cool.

Another example of the power of purely providing an experience was the Bonobos Guideshop. Described as ‘an e-commerce showroom’, its purpose was so customers could try on items for an idea of how well they fit – you couldn’t make a purchase, as there was no cash register.

The concept worked so well that Walmart bought them within three weeks of the store opening it.

Then, there’s the Valspar Paint Pinterest Analyzer. With over 3,800 paint shades to choose from in the Valspar range, pinning your top colour was made a little easier with this clever way of focusing on the default colour choices of items consumers had pinned to Pinterest.

A selection of those colour chips was then sent to the consumer’s post box. Munk reports this was the first time Pinterest had opened their API to a brand, and it proved to be their single most effective marketing effort.

4. Pull shopping outside of the shop wherever you can

Taking this a step further on the clever 'experience' offering was fabric manufacturer 37.5 Technology's 'world's most remote pop-up shop' – this one was only for hardcore outdoor enthusiasts, and resulted in over 70 people making it over the cliff in Boulder Colorado before sunset, given weather-appropriate gear in turn for their extreme efforts.

Donations were also made based on the successful climbs. The clever stunt definitely created an appropriate once-in-a-lifetime experience around the brand.

Next, Munk alluded to the Cape's current water crisis by explaining the Stella Artois brand and its long-running 'buy a lady a drink' campaign and chalice programme in association with Water.org, supported by Matt Damon.

Munk says over 1.1m people have been helped worldwide since the launch of the campaign, which has a fitting tie into what the brand stands for, as people can't live without clean drinking water, and the brand relies on the same clean water for production of their product.

5. Predictability is the enemy of interesting

Then there's the Cannes Lions-winning Contours baby stroller test ride, for recognising that toddlers can't actually tell you what they like. Munk applauds this campaign, for "injecting the unpredictable into advertising model."

Munk also mentioned the Hermèsmatic dip dye pop-up shop, a laundromat style re-dye store for those high-quality scarves many stockpile but are afraid to wear.

Munk says this atypical manufacturer thinking further highlights the 'rise of quasi-retail' where consumers don't actually buy anything but take part in a compelling brand experience.

6. Consumers are attracted to what others find attractive

Watching a crowd form in public is one of the best ways to show that humans are biologically wired to find attractive what others find attractive, said Munk. This is even more advanced in the retail space, such as with Japan's '[RanKing](#) [RanQueen](#)', where each product category is ranked in terms of popularity of actual sales. That's everything from breath mints to makeup, with a different ranking each week depending on what people buy.

Taking things further, there's also a subscription model where consumers can subscribe online and pick any three sample products to take home. Of course, Munk says this is more about collecting that data on what's proving most popular as a sample than about actual sales – certainly a different way of doing things, as you can follow up on whether consumers liked the samples and would buy them again.



The millennial mindset and the future of the shopping mall

Lauren Hartzenberg 18 May 2017



Munk also mentioned the B8ta store in the US, where typical electronic gadgets sit on a plinth in store – not for purchase, but for interaction – yes, these stores exist purely so that time spent looking at, touching and interacting with the products can be measured.

The store then makes money by selling that data on how shoppers interact with the product, which helps the manufacturers determine the specific features and ad aspects that are attracting consumers' attention.

FCB Red also worked on the Jello Temptations chocolate pudding vending machine, which only gave out samples to 'adults', as determined based on the person in front of the machine's distance between facial features, as well as height, size and way they moved.

7. We're attracted to the imperfect

Munk says there's a definite 'mainstream moment' when it comes to content around zombies – just think of the popularity of *The Walking Dead*...

With technology, there's no need to fear the walking dead

Lee Naik 2 Jun 2016





As well as other imperfect 'heroes' like the *Sons of Anarchy* motorcycle gang, Walter White of *Breaking Bad* and Tina Fey's *SNL*-reflective Liz Lemon on *30 Rock*. All are far from perfect, yet these are a handful of the most popular shows at the moment. "So there's something OK with being imperfect right now," said Munk.

Sharing further insights into consumer behaviour from behavioural science, Munk mentioned the change in Coffee Bay's coffee loyalty card.



Get into your consumers' brain with Richard Shotton's *The Choice Factory*

Leigh Andrews 6 Mar 2018



Previously, it only had a 19% completion rate, but following their experiment in where two extra 'punched out' spots were added (meaning the card still featured 8 for the consumer to present), the completion rate almost doubled, at 34%. The simple premise is that the consumer is a little more invested as it seems the card has already been 'started'.

There's so much to guide your marketing messaging if you have a better understanding of the way people think.

In conclusion, Munk said to encourage clients and brands to think of partnering in ways that are less expected and find new ways to be where your shoppers are. His laws of attraction can be boiled down to the following:

Five new laws of attraction to beat the retail apocalypse

1. Focus on new synergies
2. Be alongside your business
3. Be where/when shoppers are
4. Be compelling outside the store
5. Don't be predictable

“ Find what other people are doing and find a way to stand out and work on that, said Munk. The laws of attraction change as the times change, so it's always a good idea to think of howto push the envelope and change consumer behaviour, especially as some of the most effective ways to attract consumer attention came about without a brief or cent of media buying. ”

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ABOUT LEIGH ANDREWS

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