

# HEARTBEAT

20 April 2007 - A speech given by Kevin Roberts, CEO Worldwide of Saatchi & Saatchi, to the U.S. Women Presidents' Organization annual conference in Phoenix, Arizona, offering eight ways to attract consumers in the coming decade. The WPO is a national forum for accomplished women presidents to drive their businesses to the next level.

The smartest, most creative entrepreneur I have ever worked with could sit at this table. British fashion icon Mary Quant. Mary was fast and intuitive. She saw the Swinging Sixties before they happened.

This is another time of great change. As entrepreneurs you'll sense it already. Consumers are changing. Their pace is faster, their demands louder, their heartbeats stronger. This is the New Consumer – and yes, she is overwhelmingly a woman.

It's now agreed. Women control most consumer spending decisions, worldwide. They even decide where we sit at the movies!

Women like screens. Wired Magazine says 77 percent of them would prefer a new plasma TV to a diamond necklace.

In the 1990s we saw power shift from brands to retailers to consumers. Today your challenge is to "let go" as A.G. Lafley said, to leap with courage into the future. This is about no-concessions, wherever you find yourself. Quite a challenge.

Over the next decade the New Consumer has six big questions for you.

- \* How can I buy material things and feel good about it?
- \* Why does choosing take up so much of my attention? Two-thirds of consumers feel constantly bombarded.
- \* What can you offer me beyond price?
- \* What do you really know about me – and what do I know about you?
- \* What have we got to talk about?
- \* Can you keep up with me? In store, in games, on TV, on mobile phones...

The New Consumer is driving a major shift in the economy.

From Information Economy, Knowledge Economy, Interruption Marketing (aka the Mass Market), Permission Marketing, the Experience Economy, Attention Economy to the **ATTRACTION ECONOMY**.

Women are creating the Attraction Economy.

The future belongs to those who can make emotional connections with women. You need imagination to leap from Consumers to People. To get beyond analyzing the market to being inspired by the market.

## **EIGHT WAYS TO ATTRACT THE NEW CONSUMER IN THE COMING DECADE**

### **#1: EMBRACE PARADOX**

Most business is based on Either/Or thinking. Make a choice. Live with the consequences. The New Consumer demands that you love paradox. It's not Either/Or, it's And/And.

- \* She is involved with the lives of her kids AND has her own identity.
- \* She wants familiarity AND she demands variety.
- \* She wants to purchase on impulse AND insist on value.
- \* She wants efficient service AND empathy with her moods.
- \* She wants a nice life AND to make the world a better place.
- \* She wants Respect AND she wants Love.

Work with complex opposites at the same time so they enhance each other, without compromise.

## #2: VALUE EMOTION

Women are often dismissed as 'too emotional'. Turns out you were right. People are about 80% emotion, 20% reason.

## #3: CREATE LOVEMARKS

Is it better to be Respected, or Loved and Respected?

- \* Brands are built on Respect. Lovemarks are built on Love and Respect.
- \* Brands create loyalty for a reason. Lovemarks create Loyalty Beyond Reason.
- \* Brands are owned by managers, marketers and shareholders. Lovemarks are owned by the people who love them.
- \* Brands drive solid performance. Lovemarks accelerate performance, share, intention, margin and return.
- \* Great brands are Irreplaceable. Lovemarks are Irresistible.

## #4: ATTRACT WITH MYSTERY, SENSUALITY AND INTIMACY

Women know what they want. Mysterians, Sensualists, Intimates.

Mystery mixes dreams, icons and stories to create the attractions of the unknown. Don't squeeze out Mystery with too much information.

Sensuality brings sight, sound, scent, touch and taste. Starbucks was built on sensuality – and became the fastest-growing retail story of all time. The rise and rise of Design is a sensuality story.

Intimacy is the small touch, the perfect gesture. It's the little things that reach and rock her world. Women are more skillful at intimacy than men. In an intimate conversation three things count:

- \* Personal animation
- \* Lots of detail

- \* Enthusiastic feedback

## #5: TAKE ACTION WITH IDEAS

As entrepreneurs you know that your job is to attract consumers with big, simple, and brave ideas.

- \* Ideas with stopping power and attracting power.
- \* Ideas with velocity. Speed is vital. You need the view through the front windshield, not through the rear-view mirror. That's what research gives you.
- \* Ideas with courage and daring. Don't be obsessed with measuring. Get out there and experiment. Pursue failure to the limit! Fail Fast, Learn Fast, Fix Fast.

Ideas that are bigger than products. Ideas that create platforms for sustained growth.

- \* iPod Power – music, movies, Nike, TV . Plus proof: 100 million iPods have been sold; the iPod and iPod halo created \$70 billion in shareholder value in just three years.
- \* Starbucks' Third Space – music, movies, packaged coffee, gifts.
- \* Toyota's Hybrid Synergy Drive.

## #6: LIVE IN THE WORLD OF CONSUMERS

To connect with people, you must live in their world. At Saatchi & Saatchi we do this with Xploring. Most of our recent projects have been with women.

- \* Traditional research focuses on what people say. Xploring focuses on what people do.
- \* Traditional research asks questions. Xploring gets personally involved. Playing, shopping, chatting, cleaning, browsing, listening.
- \* Traditional research discusses the role a brand plays. Xploring feels what the brand means.
- \* Traditional research listens for Insight to get attention. Xploring creates Foresight to inspire attraction.

Today, connect across three dimensions:

- \* Exploring for Foresight
- \* Creative ideas for transforming connections
- \* Lovemarks for empathy about what people care about

## **#7: ATTRACT WITH A THEATER OF DREAMS**

Most store environments lack imagination. The store is a huge creative opportunity. Brand-down design will become Shopper-up. Sampling sensations, participation, experiences, communities.

We set up Saatchi & Saatchi X to create Lovemarks in store. To transform with Mystery, Sensuality and Intimacy. To turn shoppers into buyers. Great retail is not confined by the store, but inspired by the shopper. Brands will struggle to become Lovemarks unless the store is transformed.

The biggest idea Saatchi X has worked with so far is huge: the evolution of Wal-Mart's store experience.

- \* Store environment
- \* Employee engagement
- \* Manufacturer involvement

## **#8: MAKE THE WORLD A BETTER PLACE**

Who wants to do anything less? The role of business is to make the world a better place for everyone. Our challenge is to leave the world better than we found it. To be Inspirers. People want to be part of something bigger than themselves.

It's never too late to do the right thing.