



Three things that will make an impact on the Retail Industry, on road to 2010

That retail is the biggest driver of change in the Indian marketing scenario is not something too many would quibble about. Even if the mind boggling numbers thrown out by key players do not quite materialize, there is no question that we will see change of an order that we haven't seen before.

The interesting thing about a change of this kind, which in effect transforms the principal medium of interaction between buyers and sellers, is that it has the same profound effect that any significant new medium has. Like the Internet and Television before, it changes the very relationship between producers and consumers of information. In this case the relationship between buyers and sellers of things.

The new retail environment is an exercise both in disintermediation and re-scaling. It puts the consumer in direct touch with things that need to be sold and awes her with the magnificent abundance at her command in such dazzling variety. Desire is created directly with a tactile immediacy that our current models of how purchase decisions are made do not quite comprehend. Desire is instant and overrides the accumulated learning of the past. The consumer is also let loose in a playground of consumption where she quickly evolves into an expert consumer. The rise in consumer expertise and sophistication is a phenomenon that will propel change of a dramatic kind.

So, what are the three big changes in advertising and marketing that will driven by the retail industry?

The biggest impact is on brands or rather on institutional orthodoxies masquerading as brands. Today there are a host of pseudo-brands that survive on the strength of distribution and history. They are present in more places and spend more money on advertising and promotion - so that they continue to be bought in spite of a low consumer connect. Retail levels the playing field and exposes those brands that do not have a truly powerful and real connection with consumers. Earlier, we bought goods out of very dodgy places and looked for brands for some re-assurance. Tomorrow as everyone gets to buy things out of re-assuringly comfortable spaces, brands will no longer be able to ride on their risk-reducing capabilities alone. Familiarity will no longer be as useful to consumers when it comes to brands. Retail reduces the perceived distance between brands in a competitive set; it seduces without discrimination. Consumers can see through the flimsy thinness of brands; under similar conditions, apparently different brands begin to look astonishingly similar.

Retail re-configures the valencies we accord to brands; consumers start looking for a different kind of value from brands. They need an overriding connection that allows

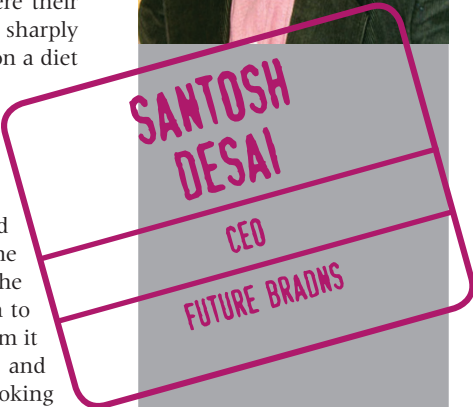
consumers to overlook competitive offers. This will only happen if brands become badges of oneself rather things that people buy for purposes of re-assurance. The paradox of retail is that it amplifies power of genuine brands, for it allows them to build temples to themselves where their devotees can come to pay ritual obeisance - while sharply reducing the power of ho-hum brands brought up on a diet of concept card research studies.

The second change that is thus indicated is in the nature of advertising that the market will demand. Given the new sophistication of consumers, consumption will become more experimental and playful. Consumers, after gaining fluency in the language of consumption, will seek more than the mere prose of purchase. They will use consumption to assemble their own personae; reveling in the freedom it offers to change who they are, at will. Advertising and marketing will need to respond to this change by looking at their own brands and communication differently. Branding will increasingly not be about messages but about manifestoes; it will invite membership to a community that believes in and is excited by similar things. At one end we will see a rise in functional retail-oriented advertising that is transactional while at the other we will see newer communication forms that create a world for the brand; a world that makes consumers want to belong.

A third change that we are likely to see is in the understanding of the power of experiences. Brands will invest more in the synaptic part of its system; design will be the biggest driver of brands, bigger eventually by far than advertising. Design will make manifest the brand intent, and will do so in a language that works at several levels simultaneously. It will shout loud promises and whisper dirty nothings; it will fuse the symbolic and the real, the functional and the fantastic. Advertising, unless done with deep understanding, will in contrast seem too clunky and obvious.

Creating experiences that transport consumers into worlds they want to inhabit will increasingly become the order of the day. These can exist in the real world or virtually, in stores and in the consumer's mind, but the brand will increasingly become a verb and not a noun. Brands will need to become comfortable with constant evolution, often of a non-linear kind.

2010 is not that far away. Not everything said above will happen by then. But the die is cast and the direction of change there for all to see. Retail, in conjunction with technology, will help re-shape the imperatives of marketing. It should be fun...



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