

Authors:

CHRISTOPHER BRACE & NAMRATA A PATEL



HOW SHOPPERS MAKE DECISIONS

The sole purpose of marketing is to affect purchase behavior by leveraging emotional connections and brand loyalty. Ultimately, the goal is to have shoppers consistently choose your brand over those of your competitors.

Given this goal, shouldn't we as marketers fully understand how humans make decisions? The obvious answer is yes, but we lack even a basic understanding of our brain's neurological processes. For example, 95% of a shopper's decision-making process is subconscious¹. Of this 95%, a large majority is emotional. Whether they're buying a wedding ring or a stick of gum, a person's emotional wiring is activated first². Yet we speak to them as if they are rational beings who weigh all information equally and logically before making a decision. We're clinging to the belief that the best way to effect their purchase decision is by appealing to their conscious mind with the perfect, product based rational sales story.

This paper explores five shopper fallacies — assumptions we have about our shoppers that are false — and five new shopper truths that will help marketers in any industry to connect, engage, and inspire their shoppers to purchase their brands. The truths presented in this paper are relevant to any business whether packaged goods, durables, or financial services.

INTRODUCTION

Imagine a typical grocery store—to the left there are aisles full of perishables and to the right aisles full of packaged goods, or a typical sporting goods store—in front of you over forty brands of running shoes. Or imagine you're on a financial services website faced with multiple options for what to do with your money. Now imagine a shopper in any of these scenarios trying to decide which brands or services he will purchase. On average, a grocery store contains 30,000 skus supported by 9,378 pieces of marketing materials³, and it's probably no different in any other retail environment. Amongst all these stimuli vying for his attention, how do you affect his buying decision so that this particular shopper chooses your brand versus a competitor brand?

We marketers have been wrestling with this question for decades and still 80% of new brands fail and 49% of line extensions fail⁴. What's the problem? The key lies in our assumptions about how consumers and shoppers make decisions. As marketers, we learn through quantitative research and these assumptions stem from big data, which is why they're mostly incomplete and in some cases may be incorrect. As marketers, we believe that complex problems are best solved with statistical evidence. Customer Relationship Management Systems claim the ability to predict future behavior based on past purchase behavior while surveys enable us to quantify possible reasons and rational. What we're missing is a deeper understanding of how shoppers think, feel, behave, and act. We aren't connecting with shoppers in a meaningful way because we are missing the full truth about how they make their choices, leading us to, at times, make the wrong strategic choices.

Ultimately, marketers are responsible for persuading people, yet we actually know very little about how people are persuaded. At the core, there are only two ways you can get someone to do anything—inspire or manipulate. Coupons, discounts, and the like are all designed to manipulate which can be very expensive and a little shortsighted. Inspiring a shopper by speaking to his core beliefs, on the other hand, leads to long-term loyalty.

When marketing inspires, the shopper acts where it matters most, in that moment, whether in the store or online, where he reaches his hand and grabs the box of Post Raisin Bran or adds the Samsung Galaxy III into his online shopping basket. The key to impacting that moment is to understand what is happening in his brain, the neurological process he is going through subconsciously so that the brand he puts into his cart is yours.

At Syntegrate Consulting, we've studied this subject and have found that the key lies not in the conscious mind but in the subconscious mind. There are many things that happen in a split second during the shopping experience and it is important to go beyond understanding how shoppers buy (behavioral) to why they buy (emotional). We've identified "Five Shopper Fallacies" that hold marketers back and "Five Shopper Truths" that will move us forward. We use these to help our clients build communications that connect, engage, and inspire their shoppers to purchase their brands.

FIVE SHOPPER TRUTHS

FALLACY #1: They can easily tell us why they make their purchases.

TRUTH: Shoppers can only rationalize their purchase decisions.

WHY THIS IS TRUE: *1. 95% of our decision-making process is subconscious, leaving only 5% of it in our conscious awareness. 2. Our conscious, verbal mind can't access our subconscious motivations, so we create explanations that make the most sense⁵.*

95% of our decision making process is subconscious leaving only 5% to the conscious brain. The hard work, the complex work, is all done in the subconscious. How often do you consciously tell yourself to breathe? If it were left up to the conscious, reminding ourselves to breath would take up most of the day leaving little room to think big thoughts or even little ones. Further, our subconscious has no language center and thus it's difficult to verbalize what's happening subconsciously. Our subconscious operates on images and experiences, only when we bring them to the conscious are we able to put those images into words. Think about your last shopper ethnography. You ask your shopper about how they shop and why they bought what they bought. In response they give you answers that can only rationalize their purchases after the fact. They're not able to tell you exactly why they chose Folgers coffee or Nike over Adidas. The only explanation they can provide is their conscious mind's rationalization of their subconscious driven behavior. To us marketers, this is only surface level insight, and yet it's often what drives our strategies. It does not give us insight into what happened in their subconscious mind as they were facing four rows of instant coffee brands that led them to choose Folgers or facing a wall of running shoes. It does not tell us how past experiences and their beliefs about themselves and the world around them led to their specific choice.

The subconscious brain processes 11 billion bits per second versus the conscious brain, which only processes 40 bits per second⁶, yet our research methodology is mostly trying to gain insight from the conscious mind. Go back to the grocery store aisle; how much information is a shopper seeing, processing, and acting upon in a short shopping window? If a shopper were to rationally contemplate each choice, they would be there for hours staring at instant coffee brands. Instead, we let our subconscious take over certain frequent tasks. Our brain finds a way to reprogram a repeated task to do it with maximum efficiency, like the weekly trip to the grocery store or managing the online shopping list. Yet we ask shoppers to explain consciously what they've already learned to do subconsciously and thus they can't readily explain the 'why' of the choice they made.

FALLACY #2: Their purchase decisions are based on reason and logic

TRUTH: Shoppers' purchase decisions are triggered by emotion.

WHY THIS IS TRUE: 1. *The human brain is emotional at its very core⁷.*

2. *Our emotional system typically exerts the first force on our decisions⁸.*

Marketers like reason, logic, and rationale. Those things are quantifiable and predictable. We rely on the notion that past behavior predicts future purchase decisions. We take comfort in big data that points to patterns and trends to explain what's happening. Emotion, on the other hand, is hard to identify and even harder to quantify. Emotion is messy and, we believe, has no place in business. There's no crying in baseball and there is definitely no crying in business. We tend to think of emotion in the negative context. It's associated with losing control, being weak, or irrational. While we attempt to add "emotion", through insights, in the creative execution of strategy, we don't fully embrace how emotional our insights need to be.

"An emotional trigger is an event that causes a reaction. (...) Because they are neither deliberate nor planned, they defy quantifiable explanations. These triggers reflect our inner selves; they emanate from the sum of our life experiences. As such they are more profound and a better indicator of our behavior than statistics, projections, or objective answers."

— Why Customers Really Buy: Uncovering the Emotional Triggers That Drive Sales⁹

Purchase decisions are triggered by emotion because the human brain is triggered by emotions. Our emotional wiring typically exerts the very first effect on all of our decisions, which then leads to our rational wiring. For us, emotion and reason are interconnected and interdependent and we require both to make sound decisions.

Emotion is both the glue that makes information "stick" and the trigger that drives the decision. You might wonder, "How can you have an emotional connection to laundry detergent?" You can. Ask yourself, do you buy the same brand of laundry detergent that your mother does, that your grandmother did? Can you recognize the scent of laundry detergent that transports you back to the clothesline in the summer as you played outside? If you can, that's an emotional connection embedded in your subconscious.



If we're going to address shoppers' subconscious minds, the real driver of behavior, then we need to become much more adept at using emotion-based information, specifically insights, as the basis for our strategies. We need to start here, understanding the emotional connections through qualitative insights,

before we go straight to big data. Right now we're doing the opposite. Enabled by amazing access to quantitative data, we prize analytics because technology enables us to have them. As technological advancement is the standard bearer of progress, we prize analytical information that may not necessarily yield the most meaningful insight. Strategically, that makes our decisions only half-informed. We need to flip it and start with qualitative first then support the insights quantitatively.

FALLACY #3: Their past or current behavior predicts their future behavior.

TRUTH: Shoppers' core beliefs best predict their future behavior.

WHY THIS IS TRUE: 1. A shopper's purchase decision is an expression of the values embodied in his/her norms¹⁰. 2. People's behavior is often determined by their implicit constructs [subconscious beliefs] of the world¹¹.

One of the major arguments for big data, whether through quantitative analysis or via internal CRM system analytics, is that the past and/or current behavior will help establish trends that are indicative of future behavior. Marketers assume that shoppers use controlled responding to make their decisions: a thorough analysis of all the available information before making their choice. Controlled responding happens predominantly when the financial and emotional risk of making the wrong decision is high. Shoppers are more likely to do this when buying a car, choosing to propose to their significant other, or deciding where to invest their life's savings, not necessarily when they are facing the shelves in the grocery store.

"A shopper's experience in a supermarket aisle is her expression of the values embodied in her norms about raising children. Point-of-purchase cues can activate memories of social norms and influence how shoppers interpret those cues. Though marketers focus their attention on the individual shopper's "performance" in the cereal aisle, the script for that performance, as well as the degree and type of improvisation the shopper demonstrates, are lodged in social relationships that reach far beyond the store."

*— Gerald Zaltman, *How Customers Think*¹²*

A shopper's purchase decision is an expression of the values embodied in her norms. As human beings we develop values first, then beliefs, then attitudes that then inform behavior. Imagine two people exploring financial investment products. One chooses a high risk—high yield option and the other opts for a low risk—moderate yield option. Based on their different choices, an assumption may be made that they have different core beliefs. However, with meaningful qualitative insights, we may discover that they both have the same core belief—the need for wealth—that manifests differently. The same belief linked to different attitudes that drive very different behaviors. This example has significant implications on how brands segment their consumers and shoppers.

Why are behaviors and attitudes driven by our beliefs? How and why we behave depend largely on our sense of who we are as individuals and the world around us, i.e. core beliefs. A lot resides in memory. As we take in information, we mostly respond and pay attention to things that reinforce our world view (i.e. beliefs) and filter out the things that don't. We then store this information in our long term memory, using it for future decision making.

Shoppers' purchase decisions are driven by their deeply held and hard-to-express beliefs rather than by surface-level and more easily expressed attitudes and behaviors. Unlike behaviors and attitudes, these beliefs change little over time, making them more accurate on which to build impactful consumer and shopper communication.

For example, a belief insight is "I want my kids dirty...that's how they learn and experience the world around them." Could this be useful to how laundry detergent is marketed? We know the function of laundry detergent—cleaning cloths but for marketers it's more meaningful if linked to shoppers' core beliefs about what dirty cloths mean to them and their families.

We must get beyond consumers' and shoppers' conscious explanations to uncover the subconscious beliefs that are the real motivators of their purchase decisions. Insights are not meant to inform—insights are meant to inspire.

FALLACY #4: Their attention can be captured by disrupting or interrupting them.

TRUTH: Shopper's attention is best captured by connecting with them emotionally.

WHY THIS IS TRUE: 1. When our brain is focused on a specific goal, unexpected (disruptive) objects often go unnoticed¹³. 2. The more relevant and accessible a piece of information, the more likely our subconscious will alert our conscious awareness¹⁴.

For a long time, the adage in marketing has been to get shoppers' attention by disrupting them or interrupting them. This "surprise" element transitioned from creative design (a redder red or a bigger font) to actual disruption like turning up the volume on ads. Interruption and disruption can actually drive a shopper away from the call to action. It can lead to missing the key message or perhaps missing your brand altogether.

When our brain is focused on a specific goal, unexpected objects that can be disruptive often go unnoticed. If the shoppers' goal is to get through their shopping list in an efficient and expedient manner, they may not notice Tony the Tiger walking around handing out coupons for Frosted Flakes, unless breakfast cereal is on their list. People devote their attention to a particular area or aspect of their visual world so they tend not to notice unexpected objects, even when those unexpected objects are salient,

potentially important, and appear right where they are looking¹⁵. Did you notice the color or type of shoe of the last person you interacted with? Just because our eyes are on it, does not mean we perceive it. Our brains operate in a way that does not allow us to have an unlimited amount of attention capability.

For humans, attention is a zero-sum game: the more attention we devote to one thing, the less we can devote to others. Our brain is continuously monitoring what we perceive in the way of stimuli, and it de-selects what's not relevant to the purpose at hand¹⁶. If they have eggs, chocolate, flour, and sugar on their list as they are moving up and down the aisles and they come across a display for all ingredients for chocolate cake in one place, shoppers are likely to stop and take notice.

The best way to solve this problem is to make the unexpected less unexpected. The more relevant and accessible a piece of information, the more likely it will alert our conscious awareness. One way to do so is to infuse our messages with emotional relevance and connect it to the personal stories our shoppers have about our brands. For example, people who ride bicycles are less likely to get into an accident with a bicycle while driving a car mainly because they are aware of other cyclists. It fits into their emotional core that bicycles are on the road. On the flip side one of the most dangerous areas to ride bicycles is in a suburb where there aren't a lot of riders, a predominantly car town, because those drivers are not used to seeing cyclists and therefore tend to miss them while making a turn or changing lanes.

We experience far less of our visual world than we think we do. We do not actually perceive everything that's within our visual score. Go back to that typical grocery store with the 30,000 skus supported by 9,378 pieces of marketing material. If a shopper spends just one-half second on each item or message option presented, she would be in the store for 55 hours. Instead, the shopper goes around the store subconsciously deselecting what's not relevant or on her list and gets on with it.

FALLACY #5: Shoppers interpret brand messages the way we want them to.

TRUTH: Shoppers interpret our messages based on
the stories they already have about our brands

WHY THIS IS TRUE: *1. Our physical, social, psychological, and emotional states profoundly shape how our brain interprets information¹⁷. 2. Recent events and current context have the most weight in determining interpretation, followed by more distant memories¹⁸.*

Close your eyes and picture "art". What do you see? Do you see a Monet? Do you see your five year old daughter at her ballet recital? Do you see the art history professor who gave you a C+? Interpretation is subjective.

Yet we try to quantify interpretation. We create messages based on big data and believe they will be perceived in the way we intend them to be perceived. We highlight functional features of our product and

try to convey the meaning of our brand. We can try, but we do not know if shoppers are receiving exactly what we're sending because shoppers interpret based on their world view made up of their personal stories. Moreover, that interpretation is affected by internal factors.

Our physical, social, psychological, and emotional states profoundly shape how our brain interprets information. If you are in intense back pain and you see an ad for yoga mats you may not receive that message in the way it was intended. Recent events and current context have the most weight in determining interpretation, followed by more distant memories. If you just got engaged, you may start noticing everything wedding related. You take the same walk to your office everyday but now, you notice the flower shop tucked next to the coffee shop and the bakery. You may start to wonder about the types of flowers they carry and consider walking in for ideas or a conversation. Context engages your brain to notice things that you otherwise do not notice on any given day.

We can't make a decision on a product or evaluate a piece of communication without a frame of reference within which to compare them. Our stories provide this context. Failing to understand that a consumer's inner world powerfully transforms a brand's message leads to marketing failures. We must better understand how consumers and shoppers are editing their current stories and/or writing new stories about our brands based on our communications.

CONCLUSION

As shoppers evolve and marketers create more and more messaging from abundant pools of data there is great risk in misunderstanding shopper decision-making. While we marketers know a lot about the conscious decisions a shopper makes, we have very little insight on the role of the subconscious in shopping decisions. We now know that this is important because every purchase is triggered by his/her subconscious core beliefs. From there it's important to build and shape messaging that connects your brand's story to their personal stories and core beliefs because your shoppers' thought-process is story based, not fact based.

How this information will help you behave differently

1. Build strategy, positioning, and communications based on a new understanding of how shoppers make their purchase decisions.
 2. Develop shopper communications that trigger the subconscious processes that are truly responsible for behavior.
 3. Connect (not disrupt) with your shoppers, maximizing your message's effect on their decision making process.
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If you feel this topic would benefit your organization, we would welcome the opportunity to conduct an informational session. It's very interactive, with lots of fascinating tests that drive home the importance of the material.

Christopher Brace—CEO

Syntegrate Consulting

(917) 312 – 8411

brace@syntegrate-consulting.com

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