EMERGING SHOPPING MISSIONS, MINDSETS & MOMENTS IN 2023

FUTURES BY FRACTAL | GLOBAL RETAIL | JANUARY 2023

PRIMER

Shopping Missions:

This unpacks the what and why of shopper decision-making: What is the intention, goal or motivation driving engagement?

Shopper Mindsets:

This unpacks the how of shopper decision-making: Which cognitive, emotional, perceptual, and behavioral lenses are activated during the decision-making process?

Key Moments:

This unpacks the when and where of shopper decision-making: What are the key moments and contexts in the shopping journey: from first discovery, through evaluation, to purchase and what follows?

Mission

The shopping journey can begin with any of the 3 Ms, creating a feedback loop between them
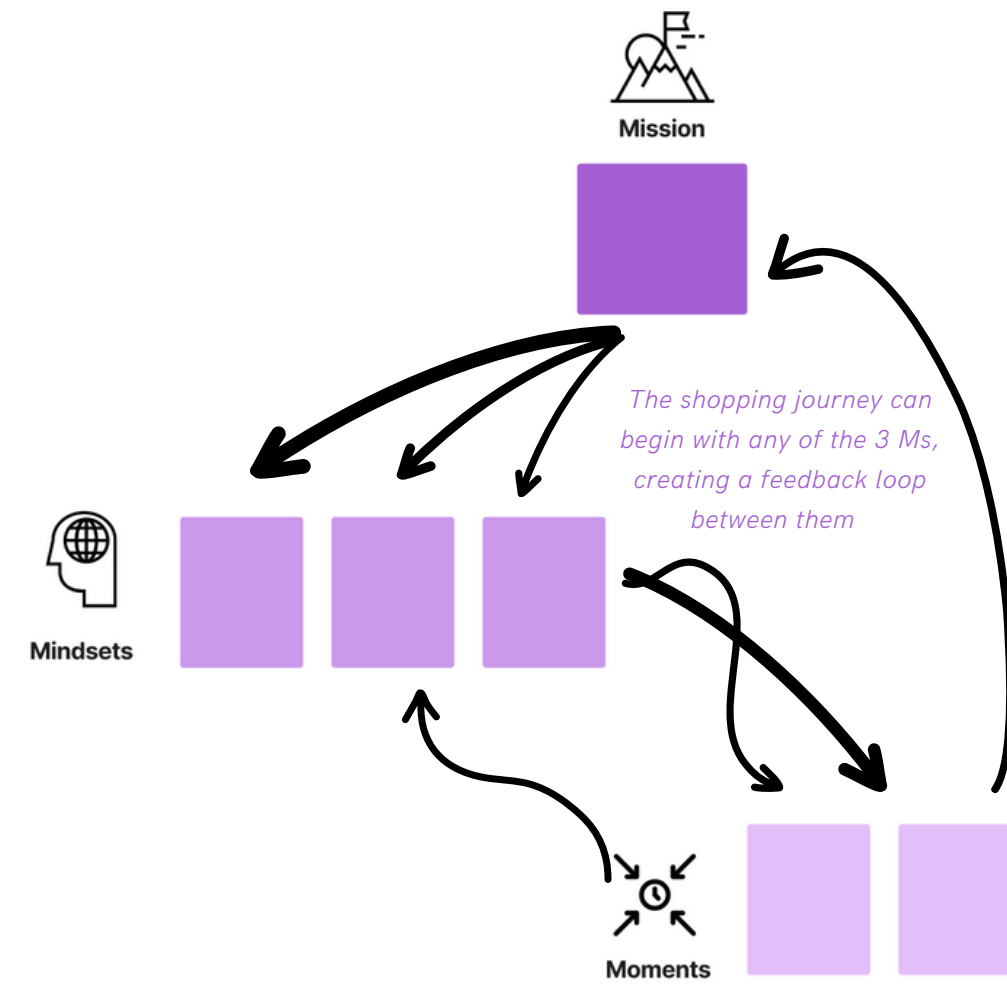
Mindsets

Moments

DECODING THE 3Ms OF SHOPPING DECISIONS

Missions, Mindsets, and Moments are the intent, mental makeup, and contexts that surround shopper decision-making. They are intertwined at every stage with one feeding into the other.

Understanding shopper missions, mindsets and moments will help retailers tap into existing opportunities and explore new avenues for shopper connect.

In this document, you will find 5 key shopping missions for 2023 and beyond, which connect to mindsets and display the moments in which they are the most active.
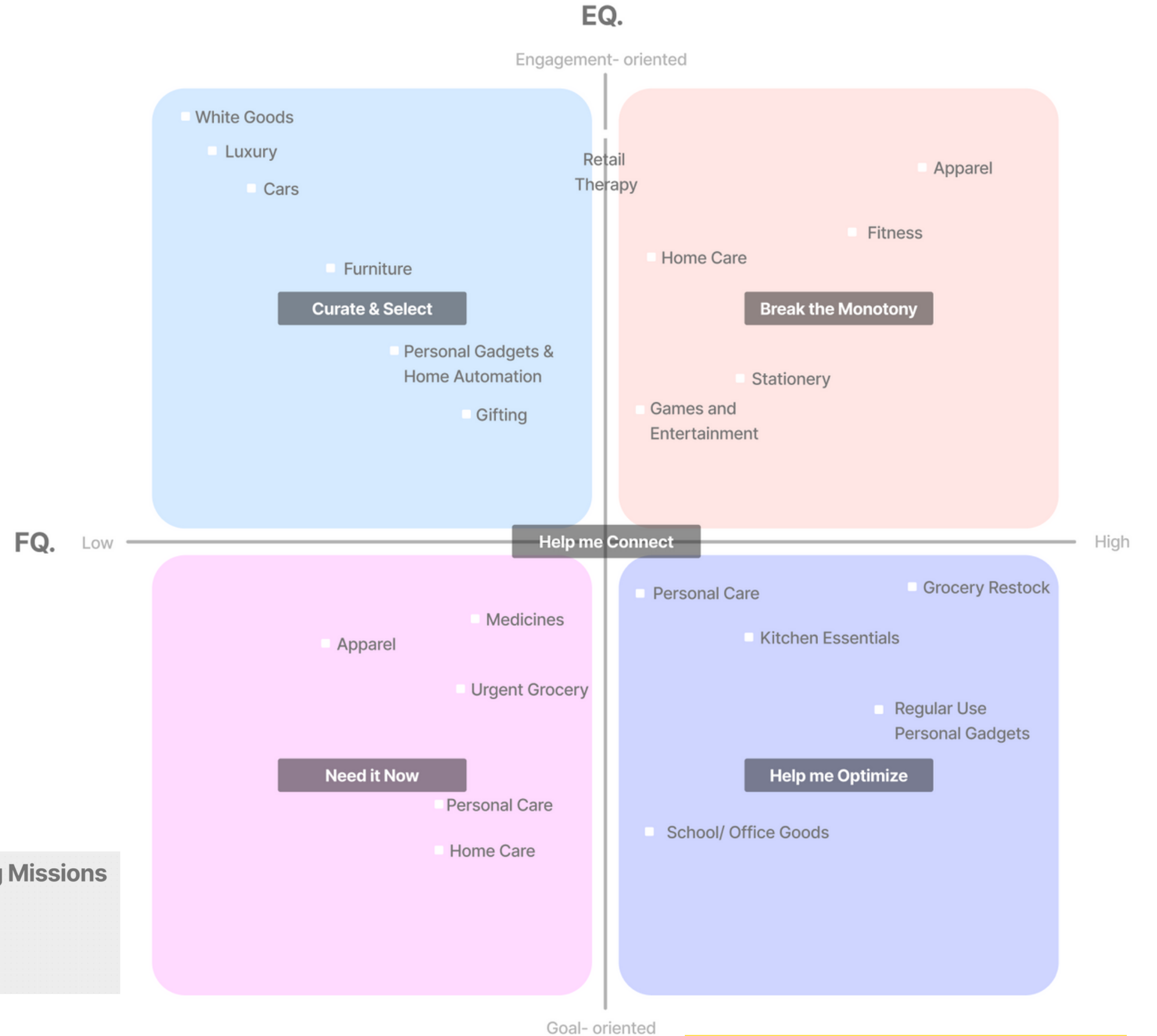
IN THIS DOCUMENT:

CONTENTS →

SHOPPER MISSIONS

1 CURATE AND SELECT

2 NEED IT NOW

3 BREAK THE MONOTONY

4 HELP ME OPTIMIZE

5 HELP ME CONNECT

BEHIND THE SCENES

OUR SHOPPER MISSIONS MATRIX

➡️

EQ.

Engagement- oriented

FQ. Low | High

Goal- oriented

□ White Goods
□ Luxury
□ Cars
□ Furniture

Curate & Select

□ Personal Gadgets & Home Automation
□ Gifting

Retail Therapy

□ Apparel
□ Fitness
□ Home Care

Break the Monotony

□ Stationery
□ Games and Entertainment

Help me Connect

□ Medicines
□ Apparel
□ Urgent Grocery

Need it Now

□ Personal Care
□ Home Care

□ Personal Care
□ Grocery Restock
□ Kitchen Essentials
□ Regular Use Personal Gadgets

Help me Optimize

□ School/ Office Goods
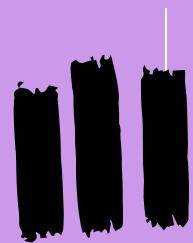
Retail 2023 | Shopping Missions

Matrix Key
FQ. = Frequency Add text
EQ. = Exploration Quotient
□ Category or context

Fractal's 5 Shopper Missions

3 | fractal

KEY SHOPPER MISSIONS

Moving beyond traditional shopper segments and tapping into relevant missions, mindsets & moments can be a powerful tool for retailers across categories

| Curate & Select | Need it Now | Help me Optimize | Break the Monotony | Help me Connect |

MISSION 1

CURATE & SELECT

A low-frequency mission where the shopper spends a considerable amount of time evaluating the product, their spending capacity & need for the same

Insights

- Immersive and embedded experiences are becoming attractive to shoppers so they associate personal values with curated products now more than ever
- With a vast array of choices and a tendency for cognitive overload, consumers tend to endlessly browse for what they want. Hence, they now seek a higher degree of curation and context-specific filtering

Implications

- Retailers will need to match the expectations consumers have for novel experiences. Novelty can come in the form of high-tech immersion, high functionality, and/or high-connectivity
- It's important for retailers to identify and own a strength or differentiator rather than trying to do a little bit of everything

ILLUSTRATIVE MOMENTS:

1. *Max wants to buy a new car. He is head-deep into research on the features he needs and the car that would fit his requirements and budget the best*
2. *It's the holiday season again and Sarah is constantly on the lookout for affordable but meaningful gifts that she can gift her friends and colleagues.*

STORIES IN FOCUS

Fig 1.B

Ikea's new virtual design tool deletes your furniture and replaces it with Ikea's

/ To help visualize how the furniture could look in your home

Virtual furniture can be placed in an image of your room. Image: Ikea

Fig 1.A
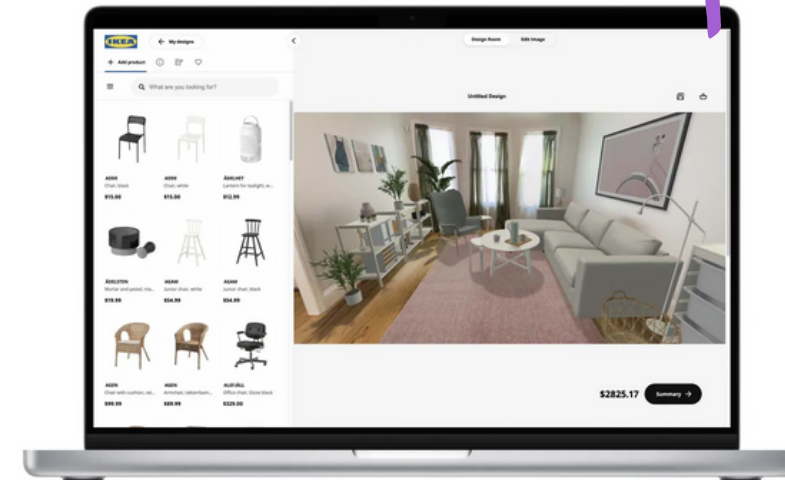
Stella McCartney celebrating reopening with a series of pop-ups

#StellaCommunity

#StellaCommunity friends, as the name suggests opens its stores for local businesses and customers in the form of pop-ups. Luxury retail too is focussing on customers rather than products.

Fig 1.C

Apple services enrich peoples' lives throughout the year

Apple services

Apple news, fitness coach, maps, app store, podcasts, phone, tablet, watch; Apple is an ecosystem which seemingly fits into our lives.
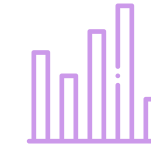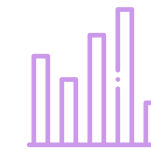
Research by Euromonitor International reveals that 51% of European consumers said they were seeking curated experiences tailored to their taste.

-Think with Google , 2021

Whenever I am looking for ideas for outfits for vacation or redoing a corner of my home, I seek Pinterest for inspiration
- Fractal Survey Results

People more likely than average to pay for a product in order to access its community (+23%); so when they purchase these items, they continue to buy into the lifestyle of a select group.

-GWI, 2021

MISSION 2

NEED IT NOW

A low-frequency, goal-oriented, transient mission with a time-bound or urgency factor dominant

Insights

- Consumers are accustomed to instant gratification and demand products and services HERE and NOW because of the emergence of shopping platforms such as Instagram, Tiktok, and apps that provide last-mile delivery
- Moreover, transparency in product tracking at every stage is an important factor in influencing brand loyalty and gaining consumer trust

Implications

- Data orchestration across retail functions should represent one cohesive experience that aims at building consumer trust
- Retailers will be able to provide transparency and clear communication across all channels by sharing information about all inventories online and physical platforms with their consumers

ILLUSTRATIVE MOMENTS:
1. *Ross is packing for a vacation and realizes his swim suit doesn't fit anymore*
2. *Emma was cooking for her friends and realises the cheese in her fridge has expired*
3. *Rita looks for a last minute gift for a wedding she's attending next weekend*

STORIES IN FOCUS

Fig 2.A

**Consumers Turn to C-stores to Discover New Products & Brands**

They rely on c-stores to satisfy their sweet tooth and quench their thirst with candy and beverage purchases.

Fig 2.B

7 eleven, a convenience store

According to a new survey commissioned by NCSolutions, American consumers frequent convenience stores at least once a week and use their store visits as a way to discover new products and brands.
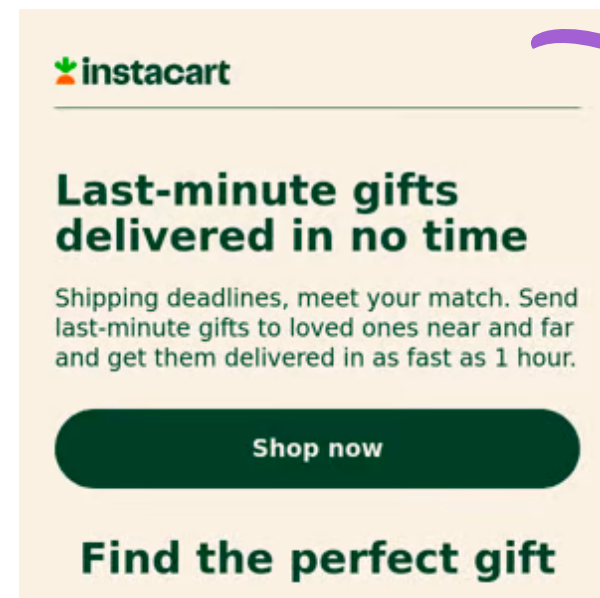
Fig 2.C
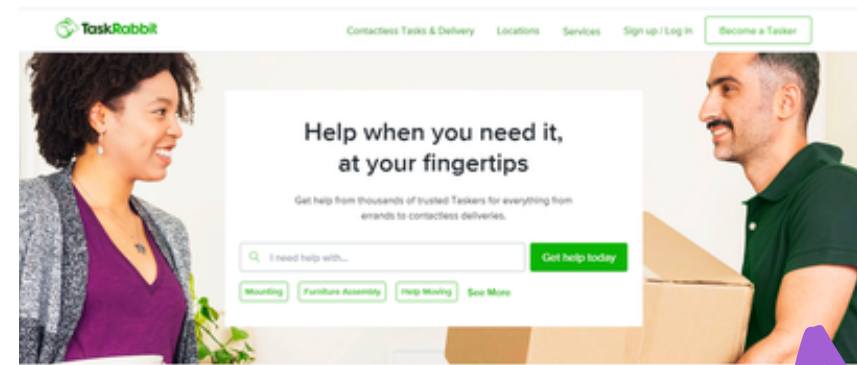
Same day tasks @ Task Rabbit

Task Rabbit offers a same-day service platform to connect people with skilled Taskers. Taskers at Task Rabbit help with cleaning, furniture assembly, home repairs, running errands, etc.

Fig 2.D

Last-minute gifts delivered in no time

Shipping deadlines, meet your match. Send last-minute gifts to loved ones near and far and get them delivered in as fast as 1 hour.

Shop now

Find the perfect gift

Instacart's 1 hour delivery

Applications such as Instacart have a one-hour delivery turnaround to get groceries, essentials, and snacks for people's last-minute needs!
They also provide and deliver gifts to loved ones, the last minute.
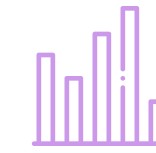
In 2022, Instacart was the most downloaded mobile application for grocery delivery in the United States, with over eight million downloads. GoPuff ranked second, with roughly 3.7 million downloads, followed closely by 7-Eleven, with 3.6 million.

-Statista, 2023
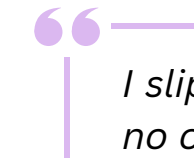
*I slipped in the bathroom and injured my foot. There was no one to help me plus since I live downtown, I don't have a car. But I was able to order an ointment for pain relief as well as ice cream to cheer me up, off Instacart.
It came within an hour, and I couldn't be more grateful.*
- Fractal Survey Results
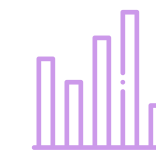
Interest in a furniture item dropped by almost 40 percent when the lead time upped from two to five days.

-Discover Magazine, 2022

MISSION 3
BREAK THE MONOTONY

A high-frequency, exploratory mission where shoppers are looking to bring escape, elevate and/or engagement into their routine

Insights

- Consumers seek reimagined retail stores; these are the new and innovative third spaces that can provide meaningful personal interactions, personalization, and co-created experiences
- Physical stores in each category are a hub for feel-good moments as they are transforming to become cafe-like destinations, with a reinforced focus on entertainment and edutainment value

Implications

- Retailers must aim at delivering experiences to support consumers holistically which includes their physical, social, and behavioral aspects such as escapism along with innovation
- To deliver such experiences, a retail store must become a strategic data acquisition channel where brands can win consumers' trust and loyalty through unique and personalized offerings

ILLUSTRATIVE MOMENTS:
1. *Jack is bored of his home meals and is looking for a meal provision service with some variety and surprise*
2. *Bella has had a tough week and is hoping to spend her weekend at a sneaker store as looking at them makes her happy.*

STORIES IN FOCUS

Fig 3.A

Cafes to break monotony

Coffee shops are increasingly seen as an ideal 'third space' for working. Post the pandemic in particular, people are gravitating to cafes to read, work, or host meetings in the midst of a work day.

Fig 3.B

Louis Vuitton to launch NFT game with Beeple art

The game follows the journey of LV's mascot Vivienne to Paris and features 30 non-fungible tokens (NFT) to be collected by players along the way. The CEO of LV emphasized that this was not a commercial experience, but a pedagogical, educational experience as well.


Fig 3.C   Fig 3.D

SoulCycle x Bilt: Rent Day

This collaboration transforms the most irksome day of the month (paying rent day) with the help of SoulCycle's world-class instructors and a fitness enthusiastic community. SoulCycle and Bilt are also creating exciting pop-up studio moments in New York City and Miami, exclusive retail drops, and DJ ride performances from top talent.
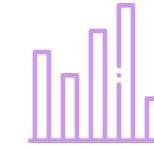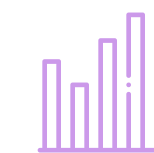
A study found that 62% of shoppers bought something to cheer themselves up.
-WebMD, 2021

I find my most productive self when I work out of a cafe. It's something about a different environment perhaps, all the ideas come to me there and work automatically gets done.
- Fractal Survey Results

Euromonitor's 2022 consumer trends report showed 35% of consumers prefer experiences over products, and over the past six years, that number has grown significantly.
-The Drum, 2022

NPR News

Take your date to the grocery store

Fig 3.E

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MISSION 4

HELP ME OPTIMIZE

A high-frequency, goal-oriented mission with an intention of restocking or replenishing. Time and effort in the exploration phase is relatively low

Insights

- Consumers tend to purchase additional items when the engagement and interaction are higher even if they are visiting stores with a functional shopping mindset
- With the ease of access and faster deliveries through online and offline channels, consumers have moved away from weekly stock replenishment to at-the-moment or instant purchase activities

Implications

- Need for functional stores along with online optimized inventory restocking processes to avoid stockouts caused by gaps in shelf replenishment practices
- Maintaining accurate inventory quantities along with efficient delivery and order tracking mechanisms will help optimize the mindset of shoppers

ILLUSTRATIVE MOMENTS:
1. *Bryan likes to do his regular stock up from a grocery delivery app, as it gives him the best offers on bulk orders.*
2. *Bina a mother of 2 kids has a list of school snacks & stationery starter pack that she reuses every at the start of every new semester*
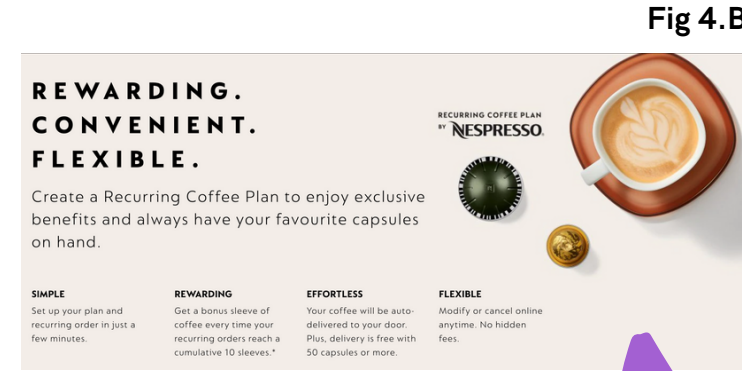
STORIES IN FOCUS

Fig 4.B

Nespresso's Coffee pod subscription

There are various subscription plans that Nespresso offers for coffee lovers. A recurring coffee plan is a great idea for regular coffee drinkers.

Speed, convenience, and price pushing digital-first lifestyle
-Red Lab Report, 2022
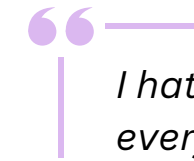
I hate making lists and shopping for the same thing every week. Digital prompts on my phone for reloading staples enable me to get weekly refills within 5 mins from the comfort of my armchair
- Fractal Survey Results

Fig 4.A

Elevated Essentials at the Label Life

Started by iconic stylists who are also part of the Bollywood industry, the Label Life offers trend-focused and elevated pieces of home decor, chic and elegant shoes, and stylish outfits. The company also guides the shopping experience and assists consumers through their shopping journey.
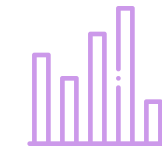

Fig 4.C

Reservations at OpenTable

When consumers make a reservation with Open Table, it is instantly recorded in the restaurant's online reservation book and confirmed instantly. The reservation is accurate and up-to-date, hence a popular option among customers.

According to a GoodFirms survey, 44% of those surveyed said that they bought suitable fitness equipment for exercising at home after the pandemic began, and 56% said they're still working out at home. 53.7% of the participants said they use a wearable device to monitor their fitness activity
-Forbes, 2022

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MISSION 5

HELP ME CONNECT

An emerging mission that cuts across all categories. It is associated with a mass-level need for belonging, desire for representation, and conscious living

Insights

- Consumers wish to co-create their retail journeys with community members and brands who understand and resonate with their values
- Consumers look for community forums, focused groups, and memberships to training programs, edutainment services, and networking activities where they can build more intimate relationships with each other

Implications

- Creating a sense of connectedness and belonging by leveraging digital and real-world technologies simultaneously is a must for retailers
- Brands to create their own playbooks to make related communities feel like their quirky interests, sub-cultures, and novel preferences are validated
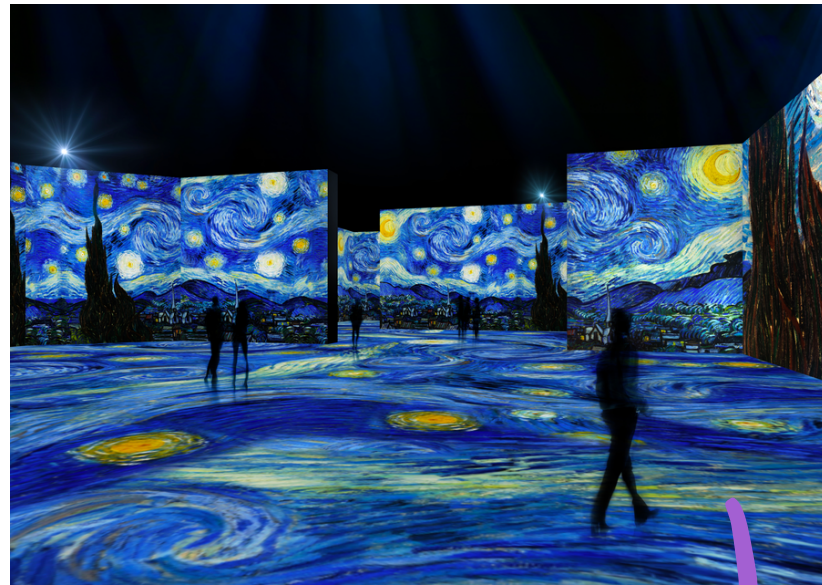

ILLUSTRATIVE MOMENTS:

1. *Sherry found an unpaid content creator from her ethnicity and likes to buy hair and skin products that she uses*
2. *Shawn prefers to buy from organic labels as he is completely against fast fashion*

STORIES IN FOCUS

Fig 5.B

Dove models diversity and inclusivity

Dove, a Unilever brand, has always been a proponent of using real people and not models. They have been at the forefront of creating campaigns for people of color, of all ages and body sizes as well the LGBTQ community. Dove also creates thoughtful messaging for children to encourage them to have a healthy body image.

Nearly 80% of millennials feel attending live events makes them more connected to others.

-The Drum, 2022

"

Connection is the new currency. Consumers expect brands to serve as connectors, whether that means fostering a connection with their own customers or bringing together people with different perspectives.
                                                   - Sprout Social

"
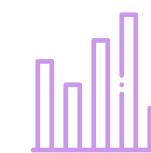
A 2021 study by Kantar Global Monitor found that 65% of consumers say that it's important that the companies they buy from actively promote diversity and inclusion in their own businesses or society as a whole.
                                                   -Amazon Blog

Fig 5.A

Immersive Van Gogh

Immersive Van Gogh is an exhibition that aims to show the artist's work in a new light, using digital technology to transform the artwork. This became very popular during the pandemic as loved ones could head to enjoy an off-beat experience together and form connections.
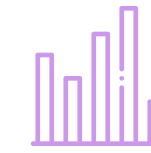

Fig 5.C

FitXR and MyProtein metaverse partnership

FitXR, a VR fitness app, and Myprotein, a leading sports nutrition brand, have teamed up to create the *Power Your Potential Challenge*. Anyone who completes the fitness challenge will get a discount code and a chance to win products on Myprotein.
This metaverse partnership aims to build connections and community across the globe.
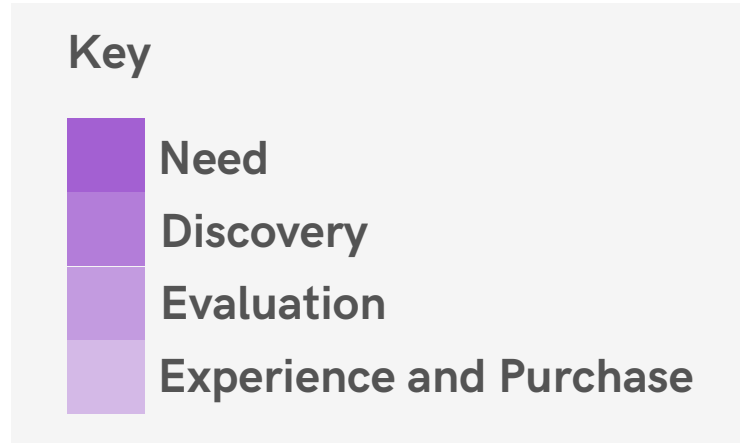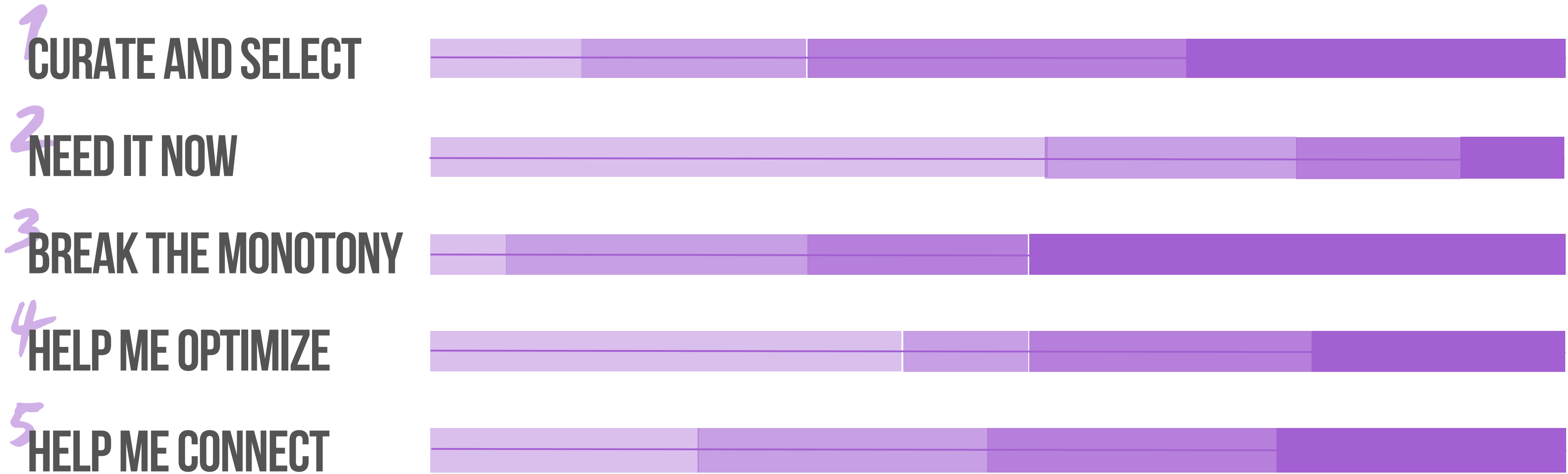
TOP MOMENTS OF DIGITAL DISCOVERY

01 Winding down for the day in bed

02 Lunch breaks/ with meals

03 Dedicated time for shopping/errands

04 On the toilet seat

05 When I'm at an airport/ station/ bus stop

06 During my daily commute

07 Morning coffee/ tea

08 Between classes/ meetings

09 Traffic stops/ parking lots

10 During classes/ meetings
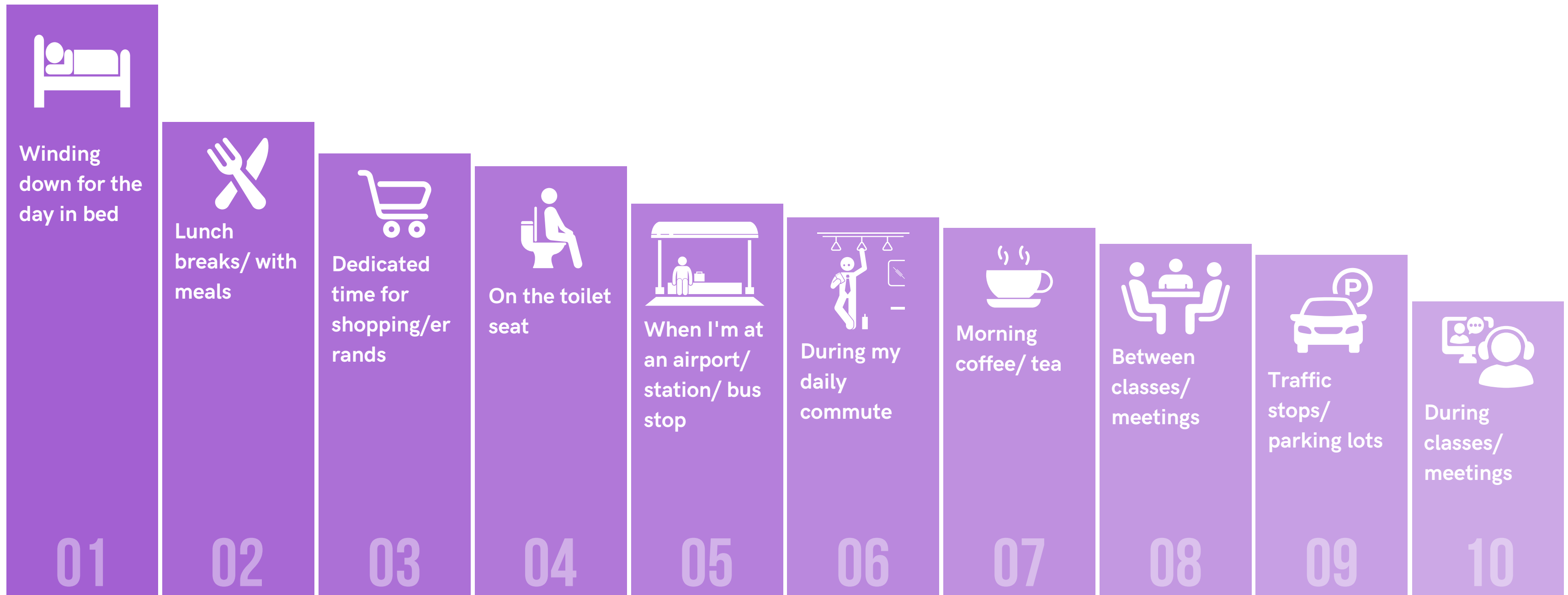
#based on the Fractal Survey

KEY CONSIDERATIONS BASED ON MISSION X MINDSET

Mission x Mindset	Effort	Experience	Expense	Expectation
Curate and Select	High	High	High	High
Need it Now!	Medium	Low	High / Medium	Low
Break the Monotony	Low	Medium	Medium / Low	Low
Help Me Optimize	Medium	Low	Low	High
Help Me Connect	High	High	High / Medium / Low	High / Medium

Recommendations

- Identify the right balance between curating an experience and the endless aisle approach based on the effort that the consumer wants to put in and the experience that they are looking for
- Invest in simulations & low-risk testing by leveraging AI to avoid cancel culture and negative virality that come at a huge cost to retailers
- Adjust marketing strategies to appeal to a particular mindset and reimagine your store design or product placement on the shelf to align with different mindsets
- Train staff to ensure they are responding to each mindset in an expected way
- Use the mission x mindset mapping against current offerings to find spaces to own, spaces to grow, spaces to drop

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BREAKING DOWN SWITCHING BEHAVIOURS

Triggers

TRIGGERS

Switch

Bad experience

Reduced relatability

Change in Brand style   Change in taste

Controversy around brand image

Misinformation   Over information

Declining uniqueness

Disenchantment from the influencer

Competition with alternatives

Strong celebrity collaboration

Unavailability

Return to the desired brand

- Across the spectrum of switching and sticking/returning to the brand, consumer behavior depends upon multiple triggers like experience, price, brand image and lack of authenticity, etc.
- Based on our research, consumers are more likely to wait for a product or temporarily switch and come back to the brand later in case of unavailability.
- Additionally, consumers are less likely to be forgiving of bad experiences in-store or online which leads to a cancel culture.

There has been multiple occasions when basic commodity like mustard oil from a specific brand and flour from a brand was unavailable. since they are must to have product i had to temporarily shift to other brand
- Fractal Study

As a consumer, I would like to mention that even though I like to experiment with brands, some brands stay with me. This of course completely depends on the quality of the product.
- Fractal Study

Category

CATEGORY

Switch

Gifting
Books/Stationery
Apparel
Personal gadgets
Kitchen and home appliances
Electronics
Home care
Groceries
Grooming / Beauty care
Personal Care

Return to the desired brand

- Consumers tend to stick to the brand when it comes to categories that are related to their super personal needs and where quality overweighs convenience.
- The category distribution across the spectrum is relative, as one category when considered individually will have different switching behavior than when looked at relatively.
- Switching is more likely to happen in categories where consumers are willing to experiment with different options.
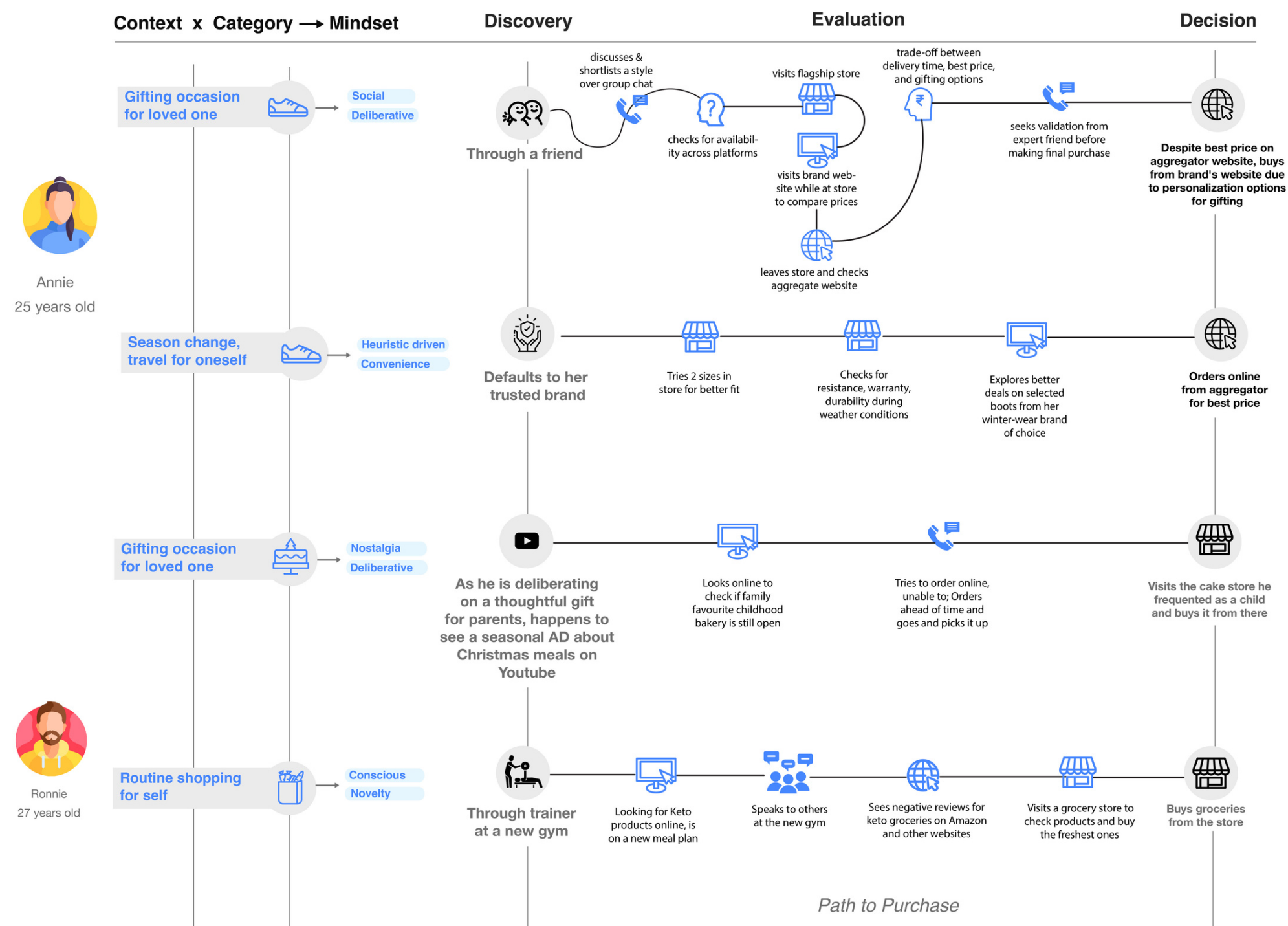
BEHAVIORAL MARKERS TO CAPTURE DYNAMIC PATHS OF PURCHASE FOR FLUID SEGMENTS, AT THE MOMENT

IMPLICATIONS

- What matters to people changes dynamically and locking them into a wrong path will cause friction and missed opportunities
- Consumers from the same demographic group can fall into different behavioral segments; the same consumer can operate with different purchase rules across contexts
- Path to purchase is driven by Context X Category

RECOMMENDATIONS

- Run experience audits (ex. video analytics, in-store walk-throughs) to unlock hidden moments of delight, discovery, and evaluation
- Play to the brand's strengths. Leverage a data-driven strategy to decide which channels to own, instead of trying to be present in all
- Step away from traditional routes, cater marketing to merchandising in the naturally primed shopping environments around the person
- Leave breadcrumbs between the digital and physical experiences
- Assess behavioral indicators at each step in the journey, leverage data to capture emotional markers, decode micro-moments, and adapt offerings

Context x Category → Mindset | Discovery | Evaluation | Decision

Annie 25 years old

Gifting occasion for loved one → Social / Deliberative

Through a friend — discusses & shortlists a style over group chat — checks for availability across platforms — visits flagship store — visits brand website while at store to compare prices — leaves store and checks aggregate website — trade-off between delivery time, best price, and gifting options — seeks validation from expert friend before making final purchase — **Despite best price on aggregator website, buys from brand's website due to personalization options for gifting**

Season change, travel for oneself → Heuristic driven / Convenience

Defaults to her trusted brand — Tries 2 sizes in store for better fit — Checks for resistance, warranty, durability during weather conditions — Explores better deals on selected boots from her winter-wear brand of choice — Orders online from aggregator for best price

Gifting occasion for loved one → Nostalgia / Deliberative

As he is deliberating on a thoughtful gift for parents, happens to see a seasonal AD about Christmas meals on Youtube — Looks online to check if family favourite childhood bakery is still open — Tries to order online, unable to; Orders ahead of time and goes and picks it up — Visits the cake store he frequented as a child and buys it from there

Ronnie 27 years old

Routine shopping for self → Conscious / Novelty

Through trainer at a new gym — Looking for Keto products online, is on a new meal plan — Speaks to others at the new gym — Sees negative reviews for keto groceries on Amazon and other websites — Visits a grocery store to check products and buy the freshest ones — Buys groceries from the store

Path to Purchase

*Illustrative snapshot: 2 consumers from the same target segment with distinct purchase journeys. Context x category -> Active mindset
*The same person has a different journey with a different context
*Two people in the same context have a different journey
*Physical & digital co-exist in a messy, overlapping way, they are not distinct for consumers anymore

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GET IN TOUCH

As you craft your way ahead, we would love to engage more deeply in a conversation with you to discuss:

- Building resilient Retail organizations by powering every human decision in the enterprise
- Leveraging customer analytics spanning across acquisition, engagement, retention, and growth
- Improving the Inventory ROI and profitability by enabling intelligent merchandising decisions across Plan to Sell cycle
- Enabling an insight and demand-driven supply chain by leveraging advanced analytics and intelligent automation
- Helping boost sales, and productivity and reduce costs across every facet of store operations
- Operating in today's 'Data Economy' using a Modern Data Estate

Questions, thoughts, ideas?

Let's talk: Retail@fractal.ai

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You just finished Module 5: Emerging Shopping Missions, Mindsets & Moments
Thank you for reading!

Module 1:
Navigating to Win

Module 2:
Everywhere, Embedded Commerce

Module 3:
Retail Health

Module 4:
Environmental, Social and Governance (ESG) in Retail

UPCOMING MODULE...... WHAT'S IN STORE

For more information
Contact: Retail@fractal.ai

Module 6:
Role of Data, AI & Automation in Retail

BEHIND THE SCENES

PROCESS, TEAM
AND REFERENCES

PROCESS OVERVIEW

AI meets human insight for Applied Foresight

Cross-cultural behavioural study

800 participants
Literature review
Appraisal framework

NLP based exploratory analysis

Signal validation
Measuring direction
Magnitude of trends

SME interviews & workshops

Hypothesis capture
Trend prioritization
Horizon mapping

Future of
RETAIL

Shop-along(s), store-visits & walkthroughs

Study of shelves
Check-out experiences
Packaging trends
Inventory management tools

Brand audits

Digital experience audits
Tech investments
Case studies
Dominating, disrupted, disruptors

Signal scan with PESTLE framework

Macro-trends
Strong signals
Weak signals

Click to see what we studied

Measurement model

AI models

In-person store visits

PESTLE Scan
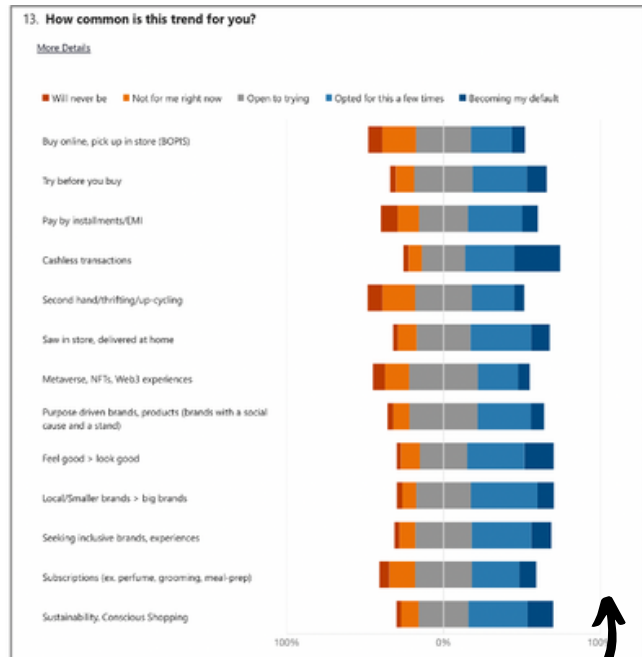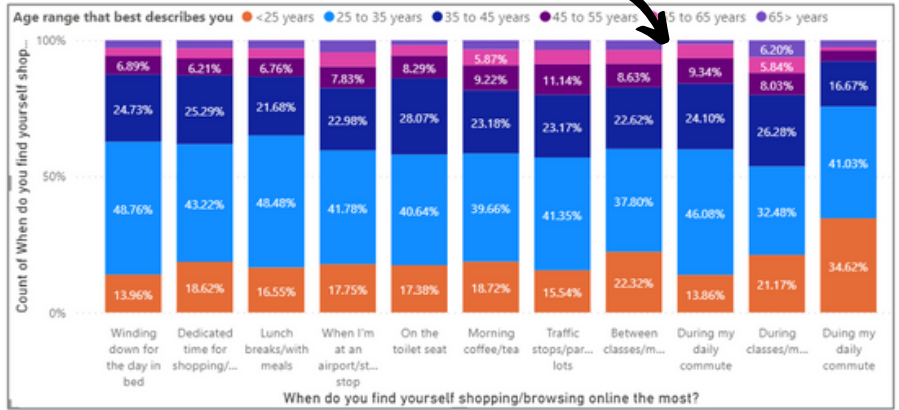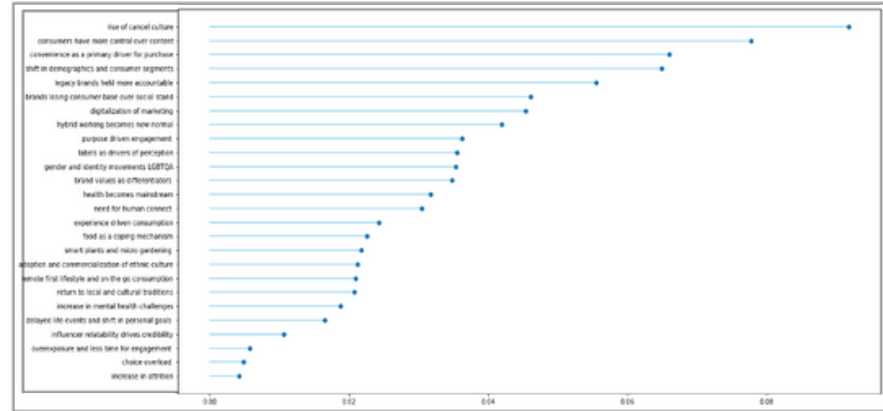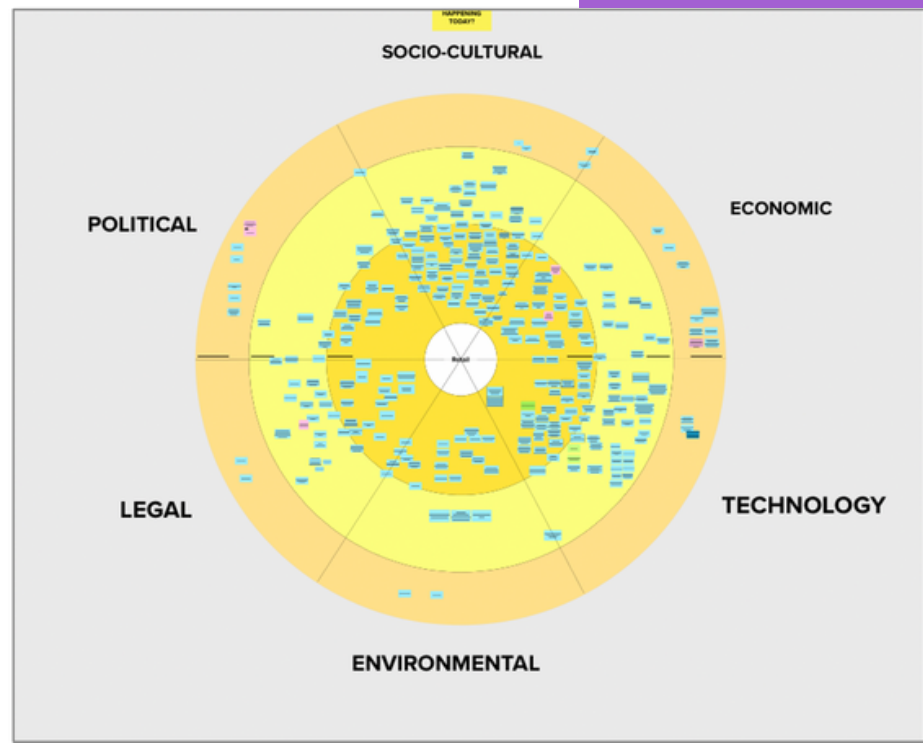
Hybrid Workshops & hackathon

MEET THE TEAM

Sangeetha Chandru: Chief Practice Officer Retail | Analytics & AI

Ann Hintzman: Chief Design Officer | Fractal Experience

Satish Kumar: Principal Consultant | Retail Advisory

Sharada Karmakar: Engagement Manager | Retail AI Strategy & Enablement

Shivani Gupta: Lead Behavior Architect | Fractal Dimension

Ashna Taneja: Decision Scientist Consultant | Fractal Dimension

Lavanya Julaniya: Senior Design Consultant | Fractal Experience

Gurjyotkaur Bindra: Design Consultant | Fractal Experience

Shagun Parab: Design Consultant | Fractal Dimension

REFERENCES

1.A   <u>Stella Community</u>: Fashion United

1.B   <u>IKEA headline and images</u>: The Verge

1.C   <u>Apple ecosystem</u>: Newsroom

2.A   <u>7 eleven image</u> : New York Times

2.B   <u>Customers and convenience store headline</u>: CS News.

2.C   Task Rabbit and same day help: Task Rabit's website

2.D   <u>Instacart's 1 hour delivery</u>: Deal Town

3.A   <u>Cafes to break monotony</u>: La Colombe

3.B   <u>LV collaboration with Beeple</u>: LedgerInsights

3.C   <u>Image of Bilt</u>: 7 Dey

3.D   <u>Image of SoulCycle</u>: CNN

3.E   <u>Image of grocery store</u>: NPR News

4.A   <u>Elevated Essentials at Label Life</u>: Facebook's Label Life page

4.B   Nespresso recurring coffee subscription: Nespresso Website

4.C   <u>Reservation at Open Table</u>: Belli Brooklyn

5.A   <u>Immersive Van Gogh</u>: Time Out

5.B   <u>Dove models diversity</u>: Slide Share

5.C   <u>FitXR and MyProtein metaverse partnership</u>: MyProtein

This icon in the module is a link to the source of the respective statistic