

Understanding Retail: A 'Media Ecology' Perspective

LEAD Marketing
CONFERENCE
Loyalty • Engagement • Analytics • Digital
VIRTUAL EDITION

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Welcome to the Future ...

It's just starting now

Walmart IRL Store, Levittown, NY, Jan. 2020

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VSN Strategies - LEAD Marketing Conference



Radical Retail Futurist

Expert Storytelling Guru

Retail Media Ecology

Stores and ecommerce are rapidly transforming due to digital interaction, AI technology, and enduring changes in consumer behavior.

Q. How should we understand the potential impacts upon brands, promotions, loyalty, and retail collaboration?

Q. What emerging technologies and practices will be most relevant for future business success?

We define some core principles and share a “Media Ecology” vision for the future of brands at retail.

Media Ecology: Understanding Retail

“The Medium is the Message”

– Marshall McLuhan, in
Understanding Media (1964)



“A medium is a technology within which a culture grows”

– Edmund Carpenter

“Media Ecology is the study of media as environments”

– Neil Postman (1970)

“Media Ecology is defined as the study of the complex set of relationships or interrelationships among symbols, media and culture.”

– Christine Nystrom



The Retail Media Ecology Principle





The Incredible Dissolving Store

Consumer Behavior

Shopping is forever different. Expectations are driven by events outside your store and outside your brand

Impacts:

- Loyalty
- Engagement
- Analytics

Digitalization

Especially the shift to digital shopping and the manipulation of data from traditional and non-traditional sources

Impacts:

- Loyalty
- Engagement
- Analytics

AI Technology

Decision Support Systems move beyond BI, to intelligent agents (data robots) that handle routine decisions and support humans

Impacts:

- Loyalty
- Engagement
- Analytics

Consumers: The Law of Divided Loyalty



Consumer Behavior Goes Viral

- Experiences beat stuff
- Loyalty splinters
- The retail media environment is changing
- Then there's that COVID thing...



Digitalization Drives Experience



Digitalization Makes AI Inevitable



**JUST BECAUSE
A QUANTITY IS
HIGHLY
MEASURABLE
DOESN'T MEAN IT IS
HIGHLY
MEANINGFUL**

—The Marketing Metrics Fallacy

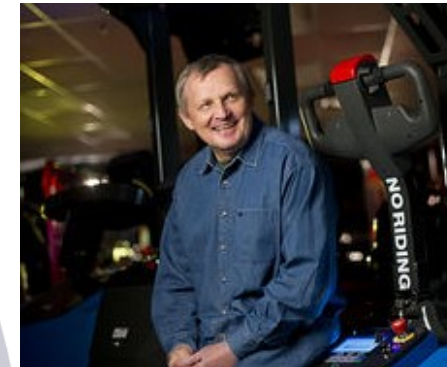
V·S·N

Moravec's Paradox and AI

Artificial intelligence and robotics researchers observe that (contrary to traditional assumptions):

- **Reasoning** (which is high-level in humans) requires very little computation, but
- **Sensorimotor skills** (comparatively low-level in humans) require enormous computational resources

https://medium.com/@froger_mcs/moravecs-paradox-c79bf638103f



It is comparatively easy to make computers exhibit adult level performance on intelligence tests or playing checkers, and difficult or impossible to give them the skills of a one-year-old when it comes to perception and mobility.

– Hans Moravec



Can You Spot Your Customers?



Brands in the New Retail Media Ecology



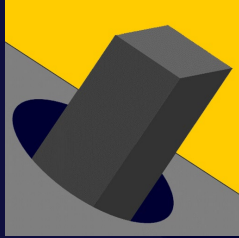
- Machine Vision and DSD
- Quick Serve Restaurants pivot to tackle COVID
- Upstart brands set new expectations
- AI changes the way brands make decisions
- Consumer intimacy enters a new chapter



Not Speculative Fiction

*The future is
already here,
it's just not
evenly
distributed.*

– William Gibson



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THANK YOU!

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Seed Questions for Audience Q&A:

- Q. 25 years after the onset of ecommerce, is this finally the moment for CPG brands to go “consumer direct”?
- Q. How is retailer-brand marketer collaboration evolving now and likely to evolve in the next era?
- Q. If shopper expectations are changing so fast, what must brands do to be more responsive to changes, given that their business model is based on long production runs and economies of scale?
- Q. Come on, is AI really transformative? Or is it just the next marketing gimmick from tech firms who want to sell us new solutions to old problems?