Treasure Hunt

People used to bargain hunt. Now they treasure hunt. There is a big difference.

Bargains are about price and price alone. There is no other way to compete for bargain hunters. Treasures are about price, too, but not necessarily the lowest price. They are not just cheap versions of a commodity. Treasure hunters judge the quality of their finds against technical and functional standards—even for something as prosaic as toilet paper. And, as the word implies, treasures deliver emotional benefits. Sometimes these benefits come from the product, but just as often they come from what buyers can do with the money they save. Finding treasure, or trading down, allows people to trade up for themselves and their families.

The tradeoffs treasure hunters make are more complex than the intracategory tradeoffs between cost and value we all studied 20 years ago. Treasure hunters use a very personal value calculus that says a lot about themselves and their priorities. Understanding these new patterns of saving and spending is the next challenge for marketers and strategists—the next step beyond segmentation. It will require us to come out from behind the one-way mirrors of focus groups, develop new levels of empathy for consumers, and use that empathy to detect significant breaks in trend lines, spot the mutant gene, and create products that are not only remarkably cheap but also incredibly good. We all must listen to the stories of real people—not markets—and learn to use those stories to guide our growth plans. Let me tell you one story.

Making It Personal

A client and I were in a mobile home in Tampa, Florida, interviewing a woman, Lillie, about how she uses insect killers. My companion, the head of a company that makes a well-known insect spray, had not really wanted to come. I told him he had to. He had to see and smell his products being used in bathrooms, kitchens, closets. So, we were sitting there talking to Lillie, a woman in her late fifties, about where she had grown up, how she got to Tampa, and her children.

I think my companion and I spotted it at the same time: one of the biggest cockroaches I have ever seen. A cockroach big enough to star in a science fiction movie. Both of us were at a loss for what to say. When is it socially proper to point out to your hostess that a cockroach is about to run off with her refrigerator? But she saw it, too. She calmly stopped the conversation, got up from her lounger, went to the kitchen, pulled a spray can from the cabinet, and slowly and carefully positioned it about six inches above the invader. Then she started to spray. “One thousand one, one thousand two, one thousand three, one thousand four, one thousand five,” I counted to myself. As far as I could tell, the cockroach drowned. I turned to Lillie, who was still standing over her conquest, making sure that it didn’t move, and I asked, “What was that?” “That,” she said, “was my first husband.”

That experience changed the way my client and I thought about bug spray and about the people who buy it. It also changed our thinking about the different kinds of benefits we offer and how even bug spray can contribute to self-image and a sense of well-being. Because women in particular are driving pur-
chasing decisions, we need to understand their emotions. Ask them, for example, to cut and paste together magazine ads to describe how they feel about their new premium washing machines and you will get something like the montage opposite. The emotions female consumers express about their families, lifestyles, and self-esteem can lead product development in genuinely new directions.

There are other stories: the story of a young waiter in Chicago who, feeling left behind by his peers and siblings, buys clothes on sale at the end of the season so they are “new to me” next year; the story of a woman who makes close to six figures yet fears she will die a bag lady; the story of a single mother who makes much less than six figures but manages to buy each of her three children a new pair of Nikes every year. Those are the kinds of stories we will need to acquire and recall in order to navigate today’s markets. Traditional research can validate these stories, but the stories themselves should be driving our decisions.

For Love and Family

The movie *Love Actually* tells the stories of nine different characters. The stories unfold separately but gradually intertwine until all the characters come together in a final scene at London’s Heathrow Airport. It’s a bit saccharine and contrived, but what’s touching and believable is that all the characters are a little confused about love. The simple message of the movie is that love drives much of what people do and how they behave—and that includes the purchase of everyday goods and services.

The primary consumer in the developed world is female, and a major factor in her value calculus is love. She buys goods that will maximize her chances of finding love for herself, if she has not yet found it. She makes purchases for the loved ones already in her life—things that will bring them together, make them safer and happier, and improve their lives and futures. As one woman told me recently, with tears in her eyes, “I shop this way because I love my family. I hope that my girls are all college educated, happy, successful, and secure with themselves. I want them to start off with zero debt. I want them to have more than we have.”

Middle-class consumers may not be as colorful as the superrich or as compelling as the very poor, but they make up the bulk of the market. We need to appreciate their challenges and solutions. I think of middle-class consumers as fundamentally wise. They respect money. They live on salaries that don’t change much. Their tight budgets force them to make tough choices and tradeoffs. Middle-class con-
sumers are also fundamentally smart. They are usually careful and analytical in their purchases. They seek knowledge and apply it to what they buy. They are not fixated on bargains, but they are looking for surprises and want to get value every time they shop. They enjoy the treasure hunt but are not irresponsible. On the contrary, most middle-class consumers have learned that they can’t have everything; they must pick and choose, and they do so with seriousness and resolve.

Serving these consumers can be exciting and rewarding. They are looking up, down, and out in search of ways to provide their families with the things that matter most to them: better educations, homes, cars, clothes, trips, and food. They attach a great deal of emotional significance and self-worth to their ability to provide these things. And they are getting very good at it—so good that markets are hollowing out and the real growth options are moving up or down. We have a wonderful opportunity to pursue these new growth strategies and, at the same time, help people live better lives.

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