

# ONE

# Introduction to Scenario Planning

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## SUMMARY

*This chapter answers three questions:*

- *How can this book help you?*
- *What is a scenario?*
- *How can scenarios be used?*

*It defines scenarios and gives the theoretical and experimental underlying basis for their application. It also contains a discussion of when not to use scenarios.*

*The chapter is contributed by Gill Ringland, the author of several books on scenario planning and the chief executive of SAMI Consulting, which aims to help its customers to make robust decisions in uncertain times.*

## HOW CAN THIS BOOK HELP YOU?

You have opened this book because you are a marketer, who has heard about scenarios and want to know what they can do for you. Can they bring both creativity and discipline both into marketing? Can the use of scenarios make your organisation more successful?

## *Scenarios in Marketing*

It's well known that scenarios have made headlines by helping to anticipate events, improving the ability of an organisation to get ahead of the curve. For example, scenario planning has helped:

- Pacific Gas and Electric to prepare for the earthquake in California;
- Shell to anticipate the fall of communism in Russia and its effect on natural gas prices;
- countries such as Guatemala and South Africa to defuse tensions and map a way forward.

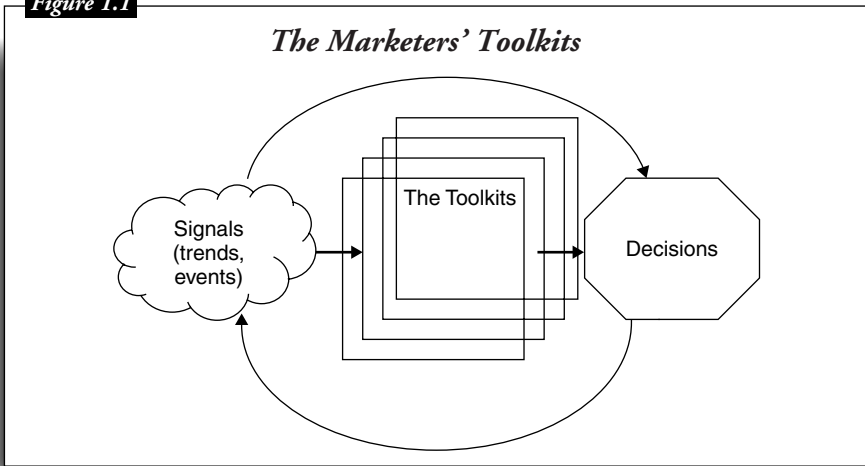
These examples suggest that scenarios work over a long timescale in large geographies. Is scenario thinking then relevant to the types of problems tackled by marketers? The answer is "Yes". Scenarios allow you to explore alternatives to "the official future", which is the set of shared assumptions about the future in the organisation. This official future is usually more comfortable, and hence more potentially misleading, than other possible futures or scenarios.

In Scenario Planning, Gill Ringland (2006) has described a number of marketing case studies where scenarios were developed that effectively challenged "the official future":

- Erste Allgemeine Versicherung, the Austrian insurance company, anticipated the fall of the Berlin Wall and entered new markets in central Europe.
- KRONE, the wiring and cable supplier, developed 200 new product ideas.
- Unilever decided on marketing strategies for Russia and Poland.
- United Distillers (now Diageo) set market strategies for India, South Africa and Turkey.
- Electrolux spotted new consumer markets.

The purpose of this book is to provide a straightforward account of the use of scenarios, oriented towards the concerns and disciplines of people facing marketing decisions. It is intended for marketing practitioners who want to get a view and experience of how to use scenario techniques. It will also appeal to corporate planners and MBA students, as it shows how scenarios fit as part of the marketing tool kit, spanning the space between the signals from the outside world and decision making (see Figure 1.1).

**Figure 1.1**



## MODELS OF THE WORLD

Scenarios are just one example of using models of the world to explore or anticipate “real life”. For instance:

- Wind tunnels are used to test car shapes for aerodynamic features. Does the car become unstable at high speeds, and does it have higher or lower drag factors than other shapes?
- In fatigue tests for airframes, either a life-size airframe or a scaled-down airframe is subjected to stresses and strains in a test rig, where early signs of cracks, fractures or breakages can hopefully be encountered before they are seen in the airframes that fly passengers.
- Mathematical or computer models are used to schedule and allocate resources, within sets of constraints. Linear programming techniques are used to solve problems such as forest management, agricultural production, production planning in factories, and even the selection of hospital menus.

It is clear from these examples that whether physical or computer modelling is used, the predictions for real life are only as good as the ability of the model to contain enough of the rules and constraints of real life. Thus, for instance, a model based on fixed proportions of income being available for discretionary spend, as a way of calculating the market for luxury goods, would cease to be applicable if changes in lifestyle meant that increasing proportions were in fact being spent on

food, through eating in restaurants or snacking on the move (Moore and Hodges, 1970).

Two aspects of a successful model are suggested by these examples:

- The ability to anticipate real world behaviour—which may be unexpected—through exploring the constraints or changes in the external environment, or the relationships between forces.
- The creation of a mental model which allows the user to look for early confirming or disconfirming evidence.

In the case of the airframes that are used to fly passengers, the model could identify the weaker section of the frame and indicate when (after how many flying hours) to look for signs of stress.

In the case of the market for luxury goods, the model might cause the distributor to investigate the cultures in which this change might occur.

### **How Can Marketers Get Better Models of the World?**

This is a difficult question. If we compare good marketers with the Israeli Intelligence Service, for instance, we can look at what happened in the run up to the Yom Kippur War. This example of the difficulties in maintaining a view of alternative possible forms of threat, and hence the ability to react to signals, is given by Cohen and Gooch (1990). It describes how the Israelis, in spite of a superb intelligence operation, were essentially taken by surprise by the Arab attack during the war.

So, how can we avoid being taken by surprise?

Consider the approach taken by the Prussian military thinker Carl von Clausewitz—a major strategic theorist. He became interested in the effect of chance and uncertainty on war because the *“juggernaut of war, based on the strength of its entire people”* defined a new era. War had become one of the largest and most complex of endeavours, and in this context he dismissed the simplistic use of mathematical techniques, which he suggested illuminated tactics but not strategy. On the topic of how to act boldly despite the inherent uncertainties of war, he suggested making *“an educated guess and then gamble that the guess was correct”*. For a more detailed analysis, see Herbig’s article in Handel (1989).

In this context, then, it could be said that scenarios improve the quality of the educated guesses and also provide a framework for deciding what the implications are, and when to gamble.

In Chapter Four and Chapter Eight, and in Appendix One, we discuss some of the methods that have been developed to try to improve the quality of these educated guesses in a marketing environment.

## WHAT IS A SCENARIO?

Think of a scenario as a fairy tale or story. Michael Porter (2004) defined scenarios as:

*“An internally consistent view of what the future might turn out to be—not a forecast, but one possible future outcome.”*

A good set of scenarios are plausible in that they can be “imagined” in terms of current, visible, events or trends that might cause them to happen; the set should not only include a visionary (or normative) scenario, but also some scenarios that challenge the organisation. Scenario planning is the art of using scenarios for decision-making.

### The Experimental and Theoretical Basis for Scenario Thinking

Scenario thinking explores the future in a way that provides not only plausible and consistent but also qualitatively different views of the future. Scenarios allow default assumptions to be surfaced and discussed. As an example, see the discussion over business plans at D2D (see Case Study 1.1).

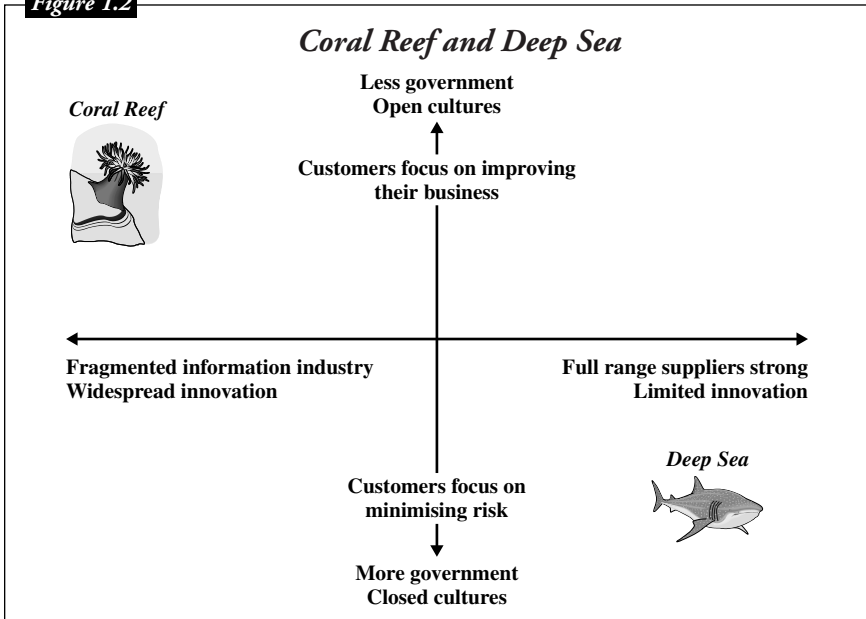
#### CASE STUDY 1.1 SCENARIOS TO EXPLORE ASSUMPTIONS AT D2D

D2D was ICL’s manufacturing division. The management team of D2D had produced a five-year strategic plan, and headquarters reviewed it with them as a basis for a prospectus for spinning D2D out as an independent company or as part of a contract manufacturing company.

ICL had developed two scenarios for the future of the information industries, shown in Figure 1.2. ***Coral Reef*** was a colourful IT world, with many small companies, a hectic pace of development, and consumer and business customers interested in the latest products. ***Deep Sea*** was a world in which a few large suppliers dominated their own territory for both consumer electronics and business computing, and customers preferred dealing with these established suppliers because they were big enough to sue.

When the management team was introduced to the scenarios, they recognised that their strategic plan had assumed that the world was a ***Coral Reef*** world, but that their competitive advantages—for instance European quality awards and staff policies—were aligned to the ***Deep Sea*** scenario. This meant that

**Figure 1.2**



the part of their assumed future growth relating to consumer electronics was too optimistic. The team rethought their strategy and plan, focusing on their competitive strengths.

The business was successfully sold to Celestica, to provide the European contract manufacturing facility to add to those in China and Canada.

### What Works and What Doesn't

Over the years practitioners have built up a number of rules of thumb on what works and what doesn't.

- Scenario thinking needs to take in a wide range of potential inputs to provide a useful basis for decisions. This may mean extensive desk research, horizon scanning, or interviews, or a mixture of all three, and the presence at the scenario building sessions of “external” or “remarkable” people. Scenarios that are built by only insiders tend to become introverted and pessimistic, with a focus on problems rather than opportunities.
- Scenario building is most useful when it is done in the context of an understanding of why it is being built. Is it to provide a context for decisions;

or as part of building management skills? In the first case it is important that the supporting desk research on the trends is in place; in the second it may be more important to discover what is in the participants' heads.

- Scenarios should be describable in an “elevator speech”<sup>1</sup> with a clear theme, and a set of names. They should relate to a key issue facing the organisation.
- It is often said that there should not be an odd number of scenarios because, in many cultures, it will be assumed that there is a middle or “right” scenario.

The process of scenario building is described in Appendix 1.

### **The Theoretical Basis Behind Scenario Thinking**

Interestingly, a decade or more after the processes were first used, neurobiologists (e.g. Ingvar, 1985) discovered that the brain is actively rehearsing futures even when asleep. This means that by using scenarios to provide additional futures for exploration, the brain can be preparing for potential actions.

As Arie de Geus (1999) says

*Every moment of our lives, we instinctually create action plans and programs for the future—anticipating the moment at hand, the next minutes, the emerging hours, the following days, the ongoing weeks, and the anticipated years to come—in one part of our mind.*

*These plans are sequentially organised, as a series of potential actions: “If this happens, I will do that.” These are not predictions. They do not pretend to tell what will happen. They are time paths into an anticipated future. . . .*

*Not only does the brain make those time paths in the prefrontal lobes, it stores them. We visit these futures and remember our visits. We have, in other words, a “memory of the future”, continually being formed and optimised in our imaginations and revisited time and time again.” This process “apparently helps us to sort through the plethora of images and sensations coming into the brain, by assigning relevance to them. We perceive something as meaningful if it fits meaningfully with a memory that we have made of an anticipated future.”*

*The stored time paths serve as templates against which the incoming signals are measured. If the incoming information fits one of the alternative time paths, the input is understood.*

*We will not perceive a signal from the outside world unless it is relevant to an option for the future that we have already worked out in our imaginations. The*

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<sup>1</sup> A description taking less than the time it takes to go from the ground floor to the top of the building in an elevator.

*more “memories of the future” we develop, the more open and receptive we will be to signals from the outside world”.*

### **When Not to Use Scenarios**

There are times when it is not useful to have a filter for sorting through external signals. This is when one, overwhelming, tidal wave is about to engulf an industry or organisation.

A good example is given in Ringland (2006). A scenario exercise in the computer industry looked at a number of factors, but missed the total sea change in the industry which was about to be caused by the collapse in industry margins from 40% to less than 10% as the industry growth shifted to semiconductors and PCs from proprietary mainframes.

## **CREATIVITY AND DISCIPLINE**

Scenarios bring creativity into marketing by posing the question—what if . . . ?—in a number of articulated and qualitatively different worlds. One scenario can be “the official future”—the future that most people expect, but the development of which may also pose the question about different futures. The Electrolux case study is a good example (see Case Study 1.2).

Discipline is also an integral part of the scenario process, as described in Appendix 1. It is an auditable process in which futures are created from a combination of external signals, some of them weak, others posing questions, other signals being trends. These are combined to give alternative time paths which then can be analysed by the subconscious as well as the conscious brain.

### **CASE STUDY 1.2 DEVELOPING NEW BUSINESS STREAMS AT ELECTROLUX**

Environmental issues are key concerns for the Electrolux Group—a major supplier of white goods—and working with environmental issues is all about dealing with short-term uncertainties and understanding long-term trends. In the mid-1990s the management team wanted the group staff in Environmental Affairs to develop an awareness of those trends and strategies for dealing with environmental issues integrated with the business process throughout the company.

Environmental issues needed to form part of the thinking process of the businesses. The scenario process was key in developing a picture of what was happening in the broader market and business environment that affected the product groups.



### ***The Framework***

Electrolux surveyed the literature available on scenario planning, internal experience from change programmes, and received advice from Graham Galer, former strategic planning manager at Shell, about Shell's experience of using scenario planning.

A scenario methodology, called the Environmental Change Programme (ECP), was developed using internal expertise, the services of the academic partner Gothenburg Research Institute and a management consultancy.

Two pilot projects were run, one with a group from the consumer side and one with a group from the commercial side—commercial cleaning appliances. On the consumer side, the group had already experienced pressure from environmental issues.

The first step of the ECP was to undertake a strategic investigation of the business environment with a special focus on environmental issues and demands. The second step was to look at the impact on the current strategy of the current and possible future conditions. The process and results were used as a way of broadening management thinking. However, the key was to integrate the concern and awareness of the environmental issues with the business strategy and to set up action plans.

The scenario process worked as an eye opener. The group started with the product line managers and then rolled it out to other management teams on lower levels.

### ***The Scenarios***

The process of building the fact base for the scenarios took around three months. During this period there was an extensive data collection process. Interviews were undertaken with suppliers, customers and environmental organizations. The scenarios were developed by a core team of four to five people from Environmental Affairs. The process was finalised by a brainstorming session based on a presentation of the fact base. The resulting skeleton scenarios were then formulated by obtaining additional information from experts and desk research.

Three scenarios were developed:

- ***Summer Time:*** (focusing on global warming): Global warming had caused strict legislation to be put in place to restrict the use of fossil fuels; energy prices were rising.

- **Cocktails:** Focusing around the use and abuse of toxins, both real and perceived.
- **Evergreen:** Focusing on material use, reuse and recycling.

### ***The Use of the Scenarios***

The process of introducing the scenarios with the businesses was started with a slide presentation of the driving forces behind environmental problems and demands. During the first pilots, this was followed by a set of slides highlighting the most important aspects of each scenario. This was presented to the full product line management team and other key managers—about 15 people. The managers were then formed into three separate groups to look at the different scenarios. Each group was asked to consider what they would do if they were working in Electrolux in 10 year's time and their scenario turned out to be a reality. For their assistance, they were provided with five pages explaining each scenario in detail.

After presenting their ideas to the other groups, each group was asked to consider what strategies could or should be put in place in any case—whatever scenario happened. The management teams recognised that it would be good to implement many of the strategies even if the scenarios did not occur. The actions they had identified made sense in terms of current environmental and business pressures.

### ***The Results***

There were several impacts of the change in thinking. One was a major strategic change in the commercial cleaning business. As a result triggered by one of the scenarios, the division became more service oriented. Electrolux became more aware that there was value in its products even beyond the economic use for the customers. As a supplier, the materials or parts of the product could be reused. The idea was then to sell the customer a service and not a product. This can be compared with a successful scheme developed by Rank Xerox of renting copiers with full service, guaranteed function, and charging based on the number of copies made, instead of only selling a copier machine.

The scenario process at Electrolux is ongoing. Less effort is now put into data collection and more effort is put into rolling the scenarios out to the businesses. The objective is to pass it on to all the product lines. Two years later, around 25% of product lines had used the techniques.

*This case study was contributed by Jan Agri of Electrolux.*

## NEW USES OF SCENARIOS

While the popularity and application of scenarios has varied since the emergence of the technique after the Second World War (see Appendix 3 for a detailed history), in the last few years there has been a resurgence in interest for a number of reasons

- Since the mid-1990s there has been a renewed emphasis on sources of value and growth in corporations after the downsizing and retrenchment of the 1980s. See, for instance, Case Study 1.4: Pfizer's use of scenarios for organisational learning and change.
- Many senior managers now have MBAs and "know about" scenarios—perhaps, however, with a jaundiced view (O'Brien, 2004) through hurried exposure.
- The public sector in Europe has proactively developed the use of scenarios in policy discussion (e.g. European Commission, 2005).
- The non-governmental organisation (NGO) sector has realised the effectiveness of scenarios for harnessing the energies of members and the public. (See Case Study 1.3: Scenarios in Arts Marketing.)

### CASE STUDY 1.3 SCENARIOS IN ARTS MARKETING

The Arts Marketing Association (AMA) has about 2000 members, consisting of people who persuade the public to experience the arts. The Symposium for its 150 senior members in 2005 was based around some key questions: What is the utopia for the future of the arts? What could and should the arts look and feel like in 2025? How could the AMA bring this about?

The Symposium had three parts. In the first part, "Visioning Utopia", a panel discussed "What could the UK arts sector look like for audiences in 2025?"; the second part, "Informing the Road Map", considered the opportunities and challenges in the world at large that might help or hinder this vision, and, the last part, "Building the Road Map", used the knowledge from the first two sessions to start the journey.

- ***Visioning Utopia.*** This was a panel discussion involving a range of senior figures in the arts and media. Each panelist was given time to outline his/her arts utopia and the discussion was then opened up for panel and delegates to debate these ideas together. These ranged from creating a new vocabulary and contract between the funding system, arts providers and the public

(“both the National Theatre and the army are paid for by tax but only the arts are described as ‘the subsidised sector’ . . .”) to a 10-year moratorium on revivals in order to display and promote new art.

- **Informing the Road Map.** The next session introduced four speakers to forecast developments in the key areas of technology, society, economics and politics between now and 2025. This session explored certainties, sources of surprise and new trends.
- **Creating the Road Map.** The task of the final session was to harness the plethora of ideas and information in order to agree on a utopia, and a road map for its implementation. The large number of people involved made this unusually challenging, and required detailed planning, organization and execution. With help from SAMI Consulting, the AMA designed and facilitated a process around some well-used scenarios—the Foresight 2001 scenarios—to provide a context for the discussion.

A short briefing in a plenary session covered an introduction to scenario thinking, an outline of the scenarios and a description of how the arts world might look under each scenario. So, for instance, a **World Markets** scenario could see increased private sector funding but the arts remaining a minority interest (as in the USA); compared with a scenario with wide participation in the arts but little public funding, or another where arts were seen as a social good and public funding was secure.

The delegates were divided into 16 syndicates to answer two sets of questions for each scenario:

- First, what are the desirable and undesirable factors of each?
- Second, ideas for reaching utopia under each—divided into “blue sky” ideas and “green” ideas—the latter obvious, “why don’t we just go ahead?”.

The syndicates were allowed an hour for each set of questions. The facilitators collected the output from the syndicates and synthesised it into headlines for the final, plenary, discussion and decision session.

### ***Successful Outcome***

Many aspects of the vision of the arts in 2025 could be summarised under the umbrella heading “Arts as an integral part of everyday life”. Priority lists for ideas were also created, some eminently achievable in the short-term and some

requiring a longer-term view, to deliver this vision. It was an incredibly creative and stimulating session that brought forth numerous good ideas, not just those identified as priorities. These ideas are being followed through in a series of regional think-tank meetings across the country involving arts organisations and arts funders.

#### **CASE STUDY 1.4 USING SCENARIOS FOR MARKETING STRATEGY AT PFIZER**

##### ***Organisational Context***

The UK marketing division of a global pharmaceutical company decided to create scenarios to refine their strategies. Scenario use was already accepted within the corporate culture, as the global headquarters had previously built a set of strategic scenarios looking 10 years ahead. The UK marketing division faced the twin tasks of identifying potential new revenue streams, and clarifying their perception of external threats and opportunities.

The marketing division's strategic development team embarked on its scenario process within the usual constraints of corporate planning: a tendency to use straight-line forecasting, and the necessity of any output feeding directly into strategic imperatives already established by the global headquarters. Within those strategic imperatives, however, the developers had relative freedom of approach in managing uncertainty.

##### ***The Scenario Process***

In 2004, the strategic development team began its change management process with a broad scan of current trends and emerging issues of change. This information collection and analysis sparked deep discussion within the team, and some interest outside it, but the team members found that people were not using the trends data in decision-making.

Upon consideration, the development team concluded that lack of familiarity with the foresight process dictated adoption of a new definition of strategic planning, based more on organizational learning. Furthermore, both global headquarters and UK headquarters were generating a growing number of strategic initiatives that needed to be checked for their robustness against the changing external environment.

Having attended an external training session in participatory scenario building, the development team decided to explore that approach. They contracted Fast Future to create and facilitate a scenario-planning process that would involve not only the strategic development team, but also senior managers, team leads and division heads.

The process had three primary phases:

1. ***Analysing the change data***—Review of the change data; identify and priorities driving forces; articulate the key questions that scenarios should address.
2. ***Creating scenarios***—Identify the driving forces with the greatest influence on key questions; rank them on importance and uncertainty; identify four potential end states for each critical uncertain driver; compose four scenario frames by layering related end states of each driver; use the scenarios to answer the key strategic questions; determine the impact of each scenario on customers, competitors, and other stakeholders.
3. ***Discerning opportunities***—Identify opportunities created by each scenario; agree evaluative criteria for opportunities, and priorities; map to existing high-priority strategic initiatives; evaluate non-priority strategic initiatives in the context of emerging opportunities to determine need for re-evaluation; establish next steps.

The results were transcribed, and a professional media team produced them as four “special issues” of a newspaper: “He@lth e-Nation”, “Can Pay, Will Pay”, “Bleak Health” and “Bureaucracy Rules”. Each “special issue” consisted of a number of articles, side-bars, and commentaries written from the perspective of the future each scenario depicted, with vivid, often witty, details.

### ***Lessons Learned***

The process benefited organisational learning from the beginning: the raw materials—the brainstormed trends and emerging issues of change—proved just as useful as the scenarios themselves. Exposing a wide range of senior managers to such a wide range of change issues created a common language of change among top management.

Concrete change resulted: a new service provision division emerged as a result of the workshop. Senior management has also used the scenarios to support the role-out of “customer-focused” competence as a priority. This support takes the form of “customer workshops” in which teams role-play a specific customer within the context of each scenario, exploring the issues customers face and their resulting needs.

The UK marketing division as a whole continues to use the scenarios to support conversations on what the company can do given the uncertainties of a dynamic environment. As a result of these activities, more people on staff now

see the link between the present and potential futures arising from emerging trends of change.

One characteristic of this work that could, in purely theoretical terms, be seen as a weakness, is instead the strongest lesson: neither the trends chosen, nor the resulting scenarios, strayed very far from the immediate operating environment of the company, or very far into the future. But the use of trends closely related to the current operating environment of the company has made this new, and relatively unfamiliar, process within the company's culture legitimate.

People hear the issues they identified and built into these scenarios mentioned in the daily news; they see the impacts they discussed evolving towards one or another of the scenario stories. This maintains interest in, and familiarity with, the issues, and reinforces acceptance of the technique. The strategic development team is currently considering approaches to involve not only management but also external stakeholders in building the next round of scenarios, which will explore further into the future.

*This case study was contributed by Dr Wendy Schultz of Infinite Futures: [wendy@infinitefutures.com](mailto:wendy@infinitefutures.com)*

These factors have meant that new uses of scenarios have become prominent:

- Scenario creation as a management development tool. This uses workshops—typically two days—to develop young high flyers, to create a common language in a management team (for instance after a merger), or to brainstorm ideas as a framework for research.
- Using scenarios already developed, perhaps with some implications for the organisation drawn out, as a basis for decisions on research and development, country risk, mergers and acquisitions, corporate social responsibility, portfolio management or the location and capacity of manufacturing plants.
- Using scenarios already developed to “wind tunnel” test a business plan or strategy, by asking the question: “What if this scenario happens?”
- Using scenarios already developed as a basis for action planning. An example was the use of existing Foresight 2020 scenarios (Berkhout and Hertin, 2002) to provide a framework for action planning for the Arts Marketing Association.

- As part of the communication during change management in an organisation or public consultation in local or national government, as in Arnhem (see Case Study 1.5).

### **CASE STUDY 1.5 USING REAL ENVIRONMENTS TO MODEL THE FUTURE**

*These case studies are based on conversations with Jaap Leemhuis of Global Business Network (GBN) Europe, and on work with a UK supermarket group.*

#### ***The Example of Rotterdam***

Rotterdam City Council wanted to mount a “50 year” celebration of the rebuilding of Rotterdam in 1945. But instead of looking back, it wanted to look forward. It thus asked GBN Europe to design a process that would engage the public in thinking about the future of Rotterdam in 50 years, time.

The celebration began with six “town meetings” held in the evening in the large fifteenth-century church in the centre of the city, the Lagenskirk. Each was organised around a different dimension of the future (e.g. economic, social), and introduced by 30-minute contributions from experts before discussion from the floor. The meetings were videoed and taped, and used as the inputs to a scenario group of professors. This group worked with GBN Europe to develop two scenarios.

- One was for Rotterdam to maintain its industrial quality and role as the largest port in the world, with all the impact that has on quality of life—the environment, traffic, etc.
- The other saw the port activity move “out to sea” and the city redevelop to focus on services and amenities.

The scenarios were formulated by 30 senior civil servants, and written up by professional writers and editors into a booklet widely distributed throughout Rotterdam. The scenarios were given to six architects who were asked to produce projects for city renewal that would be robust in both scenarios. The projects were discussed by the architects and the public in six open evenings at the Architectural Institute. They were then the basis of an exhibition that was open for three months, with visitors able to walk through the scenarios and projects.

#### ***Applying the Lessons Learned to Arnhem***

The example of Rotterdam was in the mind of the city planners for Arnhem, when they asked GBN Europe to help with their planning process. Arnhem



sits on the main route from the industrial Ruhr in Germany, and Rotterdam. It is also a very beautiful part of the Netherlands, attracting many retirees. The question for Arnhem was: how to manage development?

Using a similar process to that developed for Rotterdam, the project began with town meetings, this time in the Musee Sacrum Concert Hall. One of the evenings was devoted to the logistics hub dimension of Arnhem's future, that is very dominant.

The scenario group was made up of City administrators, who developed four very different scenarios for Arnhem in 2015. Each scenario was presented in a brochure via the impressions of a sympathetic visitor to the future: for instance, a young technician visited the **Logistics Hub** world; and a 75-year-old gave his impressions of the **Retirement Haven** future.

The City created a "Villa 2015", with each of four large rooms representing one of the scenarios. All the inhabitants were sent a postcard of the Villa, inviting them to visit, and visitors were asked to fill in a questionnaire on their preferences.

The scenarios have since been used extensively by the planners of Arnhem. Even the chief of police is an advocate.

### ***Customer Scenarios for a Supermarket***

A leading UK supermarket group was exploring new retail formats, and developed three customer lifestyle scenarios as a basis for designing the stores at which they would be trialled.

- One customer type was "cash rich—time poor": here parking access for short stops was near the doors, and fast access food and convenience items were provided with self-scan payment.
- A second type was "cash poor—time rich" where facilities included food stations with chefs to discuss meals from scratch and seats near "how to" and "best buy" articles.
- The third type was the hardest of all—cash poor—time poor—for instance, single mothers. Here trial formats included crèches, and it was found that these needed to be on a veranda floor to be visible from all over the store.

## **CONCLUSION**

Scenario planning can thus be an effective way for marketers to try to deal with the ever more complex challenges they face in a fast-moving environment. The

following chapters will discuss how this can work for different aspects of marketing in more detail.

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