Viewpoint:
Commerce Never Sleeps

6 prominent themes from
ShopTalk Europe 2022

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The metaverse might be top of mind for commerce marketers these days, and technology is certainly driving much of the innovation across the industry. But even the most tech-savvy, forward-thinking marketer hasn't lost sight of one old-fashioned real-world fact: it's still all about the shopper.

The "shopper," however, is no longer limited by any boundaries of time or place, thanks to all the technology that has made commerce a 24/7 activity in both the real and, apparently soon, virtual worlds.

A contingent of executives from The Mars Agency's London office attended this year's ShopTalk Europe earlier this month and compiled the following report on the key themes running through the stage discussions and the hallway chats during the three-day event.

1

Convenience is Critical & Evolving

A shopper need that was once satisfied largely by store location and size, "convenience" is now being driven largely by speed and flexibility of delivery: 42% of shoppers identify order fulfilment as critically important, according to Capgemini — whose research also concludes that two-hour home delivery has become a "standard aspect of the customer experience."

Being the fastest isn't sufficient, however, because meeting shopper expectations for "convenience" also requires retailers to provide reliability and quality, says Eve Henrikson, Regional General Manager of Uber Delivery EMEA (which just teamed with Carrefour to offer 15-minute grocery delivery in Paris, by the way). Brands are part of the equation here, too: 41% of consumers say they purchased something directly from a brand in the last six months, according to Capgemini.

Simply offering fulfillment options isn't enough either. The shopping experience need to be "friction-free," said Katharina Sutch, Director of Shopper & OmniChannel Activation for The LEGO Group. The challenge, therefore, is to effectively balance convenience, speed and expectations, noted Benjamin Thompson, Head of Digital Transformation for Woolworths Group unit Endeavour Drinks Group.

One technological example of these efforts can be found in Lifvs, a Stockholm-based startup opening self-service mini-grocery stores in Sweden that are unstaffed, operated remotely, and open 24/7.

Meanwhile, an emerging challenge is making sure that meeting these new expectations for convenience doesn't conflict with efforts to address growing shopper expectations for corporate sustainability (see page 7).

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2

'Buy Now' Is Always Literal

The role not only of physical stores but even retail websites is in flux because commerce now needs to be available wherever "the customer needs it to happen," said Cassandra Bergsland, Director of Omnichannel at UK department store John Lewis.

This reality puts the onus on brands to add conversion opportunities to all the touchpoints that traditionally have been used for engagement and storytelling, according to Holden Bale, Head of Commerce for marketing agency Huge Inc. In the future, every brand interaction will have a commerce factor, he predicted.

The physical store, therefore, is transforming: 50% of retail space will be dedicated to experiential activity as soon as 2025, according to one recent study. Building those experiential environments won't be easy: Bruno Mourão, Head of IT Transformation and IT Strategy & Experimentation at multi-national retailer Sonae, is content if two of every 20 proofs of concept he explores are successful.

One idea that's been working for UK specialty retailer Pets at Home involves connecting at-home shoppers to in-store experts to answer questions, explained David

Robinson, the 450-store chain's Chief Operating Officer, Retail.

But efforts to align the physical and digital stores must expand to embrace other arenas as well. Bringing ecommerce to social media channels is already needed, and the same will soon hold true for the metaverse, experts suggested.

As far as the actual transaction goes, digital payment is now widely accepted, thanks largely to the environment of trust created by PayPal, according to Accenture. (Buy now, pay later is the fastest-growing method.) The next evolutionary step will be Invisible payment methods that make the process even more convenient. And with major companies like Uber kicking the tires, cryptocurrency could ultimately come into play, too, according to some speculators.

3

The Metaverse Has Arrived

In a recent Deloitte survey cited at ShopTalk, 56% of shoppers said that an augmented reality experience gives them more confidence about a product's quality. And in a just-published McKinsey study, 80% of active metaverse users claimed to have already made a purchase within a virtual environment.

While the metaverse generated plenty of trendy talk throughout the event, AJ Dalal, GVP of Data Strategy & Consulting for Publicis Sapient, took perhaps the deepest dive into this virtual future with an examination that went beyond the metaverse to cover all aspects of "Web3."

In short, Web3 represents the next iteration of the Internet, which will embody a decentralization of power away from big-tech "gatekeepers" to individual users and a move from interactive to immersive experiences. In addition to the metaverse, Web3 encompasses blockchain data sharing and cryptocurrency, digital NFT (non-fungible token) content, and technologies that give individuals (both people and groups, including companies) greater control over personal data, organizational decision-making and financial management.

Among Dalal's predictions: social interactions will increasingly be handled by digital avatars, physical products will increasingly become NFTs, and digital wearables will connect the metaverse to the real world. Gaming will be the bridge to mass adoption. Potential risks include security breaches, nearly irreversible user errors, and a massive carbon footprint that could negate sustainability efforts elsewhere (see page 7).

For brands, the "early adopter" ship has already sailed, Dalal suggests, so they instead need to focus on getting their metaverse initiatives right by creating truly unique experiences (copycats are not welcome), either on their own or with an existing player like RTFKT or maybe Bored Ape Yacht Club. Brand use cases are multiplying and include luxury brands authenticating products to combat fraud and brands of all types developing easily trackable coupon/loyalty programs that deliver unique content and experiences to each recipient.

4

Data Remains the Driver

The need to follow the customer journey through so many paths has made data more important than ever. Customer data will determine whether retailers succeed or fail — because getting it wrong can irreversibly affect your brand, warns Alex Williams, Head of Growth & Personalization at department store giant Marks & Spencer.

Data underpins even the most physical businesses by identifying the right opportunities at the right times, helping marketers understand the specific needs of individual shoppers and personalize their experiences.

But with so many different data points available across the omnichannel journey, it's critical that brands and retailers extract the right insights to understand the optimal story to tell and provide shoppers with seamless, engaging experiences, said Joana de Quintanilha, VP-Principal Analyst at Forrester. To do that, marketers should remember the "altitude" from which they're viewing to make sure they stay focused on — and relevant to — the customer journey.

One key question to ask is, "How much data do we need?" Rather than overdoing it, marketers should consider the "minimum viable data" that's needed to construct the ideal customer experience, said de Quintanilha. That point was echoed by Williams at M&S, who warned that asking for too much information can create distrust among shoppers.

The next step for marketers is to employ predictive analytics to give people what they want before they even know they want it, said Thompson at Endeavour Drinks.

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5 Sustainability Becomes a Necessity

McKinsey finds that 37% of European Union consumers across all age groups consider sustainability to be "highly important." But they don't all understand the concepts involved or how their purchase habits can make a difference. This makes education a key component of brand and retailer outreach.

Brands and retailers need to give consumers sustainable product options that are achievable within their price range (saving money is the No. 1 driver of choice) but also won't damage the value proposition: 70% of consumers say they don't want to compromise on quality when buying sustainable products, noted McKinsey Partner Bartosz Jesse.

Among the steps that Jesse suggests organizations take are ingraining sustainability into all corporate strategy so that it cascades down into objectives and KPIs; adding sustainable options to all product assortments; and strengthening the public transparency of their product- and corporate-level activity. No company is 100% sustainable, and shoppers understand that. Complete transparency about the journey you're on is vital because credibility is key.

Unilever Foods has developed a noteworthy path forward that encompasses several key objectives, including the development of innovative plant-based products, the introduction of more mealtime inspiration to help reduce food waste, and the adoption of sustainable packaging. The overall goal (which also involves healthier eating initiatives) is to be a "force for good in food," explained Debora van der Zee-Denekamp, VP Foods Benelux for Unilever.

An increasing conundrum is implementing sustainable practices while satisfying other evolving shopper demands that might get in the way. How does Uber Delivery, for instance, satisfy the needs of its shoppers while reducing its emissions and waste, noted Henrikson.
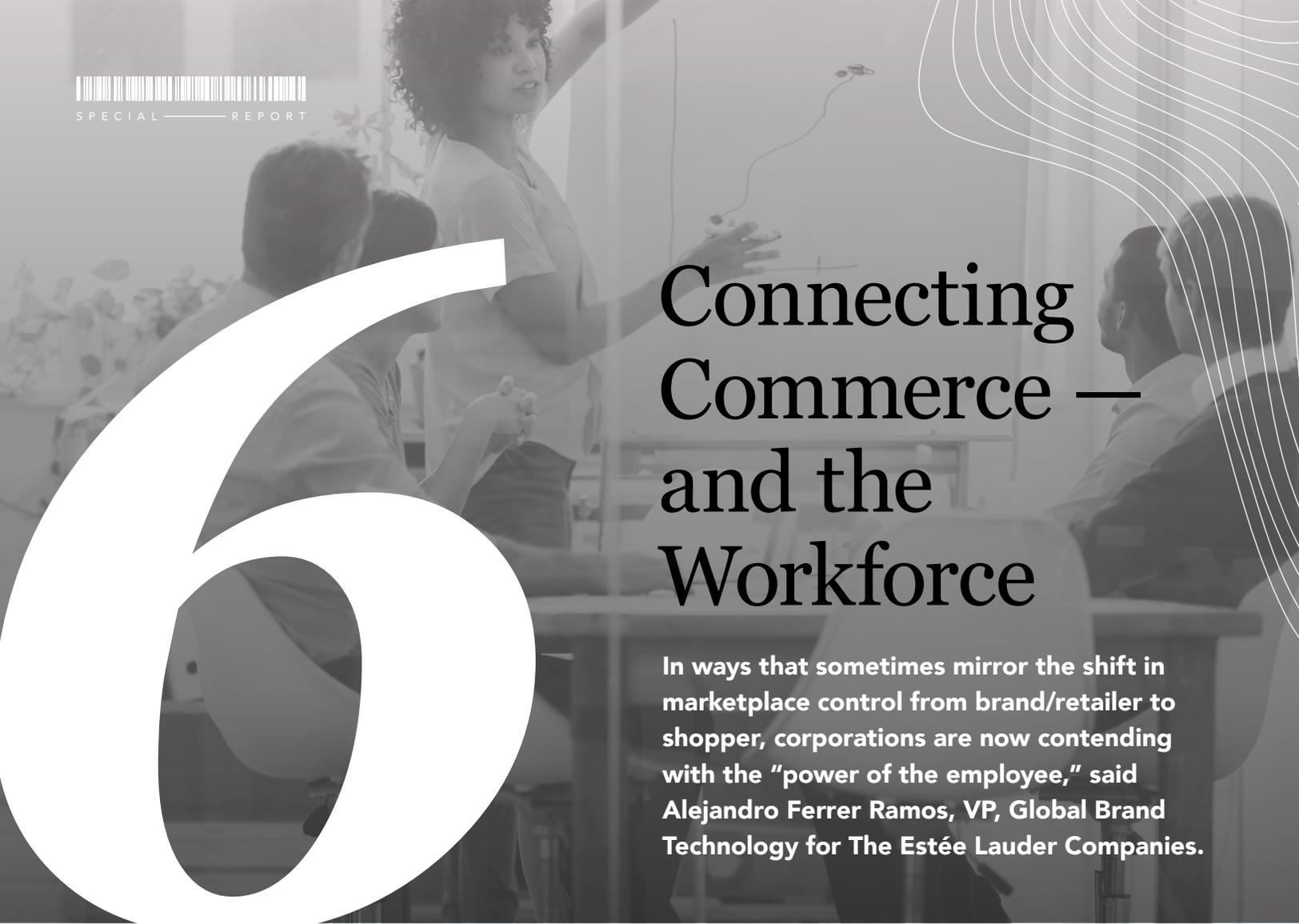
6

Connecting Commerce — and the Workforce

In ways that sometimes mirror the shift in marketplace control from brand/retailer to shopper, corporations are now contending with the "power of the employee," said Alejandro Ferrer Ramos, VP, Global Brand Technology for The Estée Lauder Companies.

Dealing with the new realities of post-pandemic work life have therefore become of greater immediate concern to organizations than the need to align siloed teams across the path to purchase. For one, traditional full-time office spaces are transforming into as-needed collaboration centers as corporations seek to stay flexible in an environment where commuting isn't necessarily accepted as part of the job anymore.

Corporate culture has become as important as salary and benefits to recruitment efforts, which requires companies to share their vision and sell their journey to attract the talent they need. Authenticity is required, too, so they must first legitimately establish an inviting culture before talking about it. Organizations should also embrace the "new rules" by going beyond old-school hiring norms to find remote talent — maybe even at the international level.

In terms of optimizing the organization for connected commerce success, brands and retailers should focus on the customer, not the channel, and align cross-functionally on common goals and KPIs. Current structures result in too much time being spent on the journey stage (awareness vs. sales) when the emphasis should simply be on the shopper. Success in connected commerce requires a "DNA thread" rather than matching luggage, said one panelist.

Meanwhile, the need to rapidly build out new capabilities such as last-mile fulfillment has heightened industry understanding about the need for partnerships. With the path to purchase becoming increasingly complex and shopper loyalty becoming harder to earn, brands and retailers need all the help they can get.

About the Authors

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The Mars Agency's first employee outside the U.S., Darren founded the London office in 2010, growing it to become a market leader throughout Europe. He is now guiding the agency's growth across Asia, Latin America and Canada. Prior to becoming a Mars lifer, he held senior positions at Saatchi & Saatchi, Leo Burnett and The Marketing Store, working closely alongside a variety of global clients including Coca-Cola, Mars Wrigley, Colgate-Palmolive, McDonald's, P&G, Samsung, Toyota, and Unilever.

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A retail and sales promotion specialist, Greg was part of the team that originally established The Mars Agency's U.K. and European operation in 2010. He began his working life at Procter & Gamble before helping Omnicom grow its Tequila\ marketing services offering across Europe. In addition to his role as managing director of the London office, Greg leads pan-European and global shopper campaigns for clients including Coca-Cola, Mars Wrigley and Samsung.

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A connected commerce champion, Nathan has been with The Mars Agency, leading the international growth agenda, since 2018. He began his career with the agency handling key UK accounts such as Mars Wrigley, Perrigo and Bacardi from the London office. Prior to joining Mars, Nathan held senior positions across a number of network agencies, working on heavyweight brands like Shell, Nokia, Pampers and Phillips.

REBECCA JACKSON Group Business Director, London

Becky joined The Mars Agency in 2011 to lead the Colgate-Palmolive team and since then has played a key role in the growth of both our UK and European operations. She has a wealth of agency experience, having worked in both large network agencies and small independent outfits across a range of clients. Becky currently leads the Coca-Cola, Costa, Mars Petcare and Kellogg's accounts delivering global, regional and local campaigns.

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