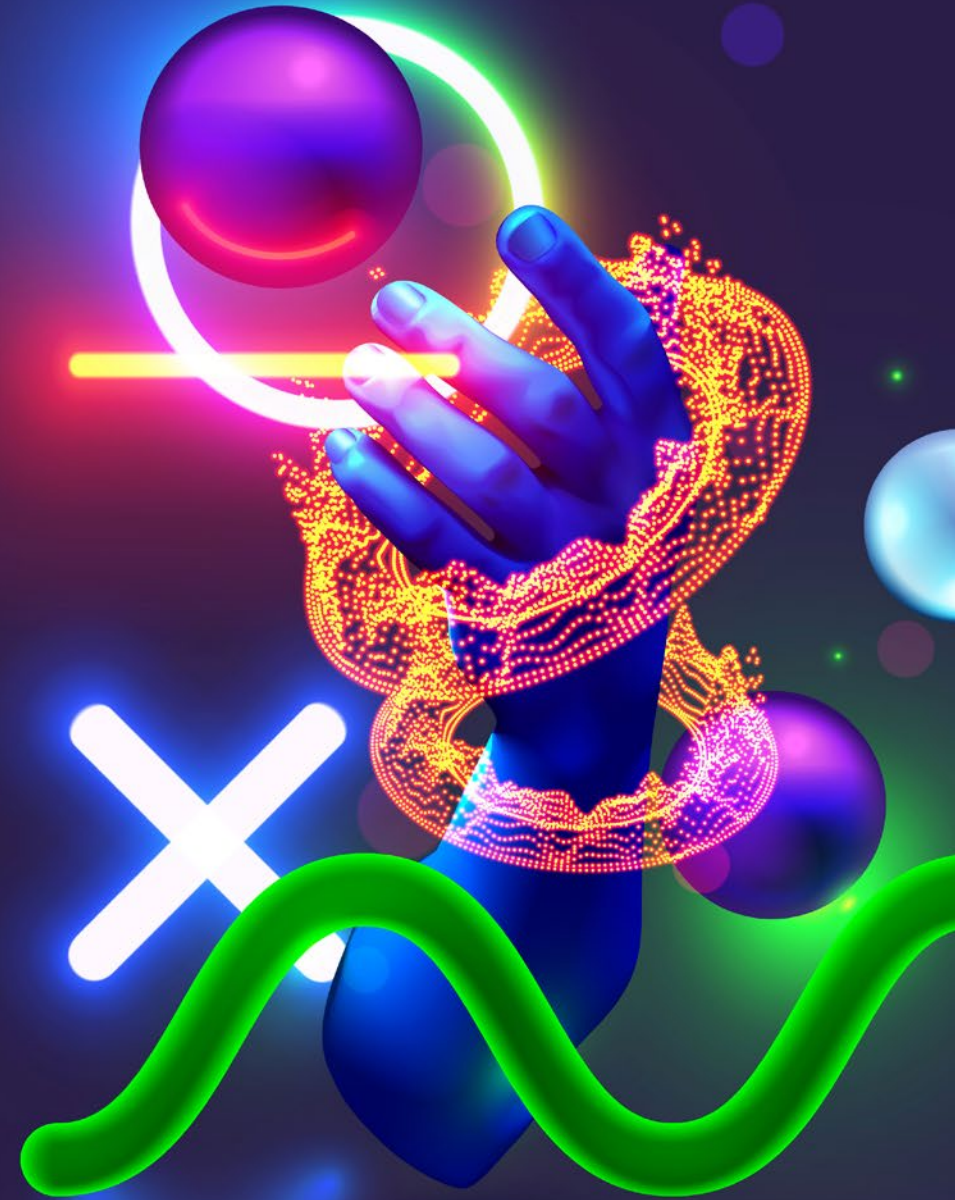


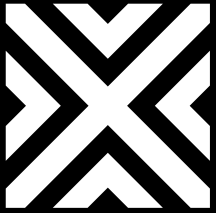


Tomorrow's Commerce 2024



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Introduction

The future... who really knows what it might hold? Especially when it comes to how people behave, what action they take and how they transact. Which is why we are excited to surround ourselves with deep commerce experts versus fortune tellers and soothsayers. This report relies instead on our global Future Shopper surveys, client conversations across almost every business sector, and our in-house commerce experts across 150+ offices worldwide. This body of research and analysis serves the foundation to offer a few predictions of our own on what might be in store for our future.

Today, the world remains in a state of constant and unpredictable flux, and that includes the economy, the climate, and the realm of commerce – to name a few. In terms of commerce, an omni-channel future doesn't simplify the increasing complexity and pace of change.

We seem to be approaching a most exciting and broad-ranging omni-channel future, which spans physical and digital. But what comes along with it is an ever-more demanding set of consumers and customers, dictating the rules of engagement for the brands, retailers, and marketplaces they deal with. And that means switching when they feel under-served. What we sell and how we engage needs to fully accommodate both the overlap and delta between real and online worlds.

Our 7th edition of Tomorrow's Commerce brings together some of the key, long-term trends that we're predicting to influence and shape commerce. Their impact might not be felt tomorrow, but that doesn't mean the planning for them shouldn't start today! Whether it's the metaverse, CO2 and CX, luxury, or social commerce, we've envisioned the trends set to take hold, and what you need to do about them.

And, of course, here at VML, we are here to help. From technology-driven and platform-enabled, to Creative Commerce engaging and captivating the consumer to conversion, this is what we do. So why not make it your 2024 commitment to plan even further ahead into the future, and prepare for tomorrow's commerce?



Beth Ann Kaminkow

Global Chief Commerce Officer
VML

Special thanks to our key contributors:

Hugh Fletcher **Minos Makris** **Naji El-Arifi**
Debbie Ellison **Charlie Wade** **Michelle Baumann**

A new brand order with less brand equity

Disruptor brands have always existed.

But 2023 showed us that the right mix of personalities, products, promotions and distribution can supercharge brands in the 2020s. Prime example? Prime Hydration which was launched by two of the biggest influencers in the world. Or how about The Pink Stuff which has captivated cleaners with 250+ million views on TikTok? But while some might dismiss these as one-offs, could it be a warning sign for traditional brands?

Marketers have always invested in brand equity, counting on it as a barrier to entry. But the creation of brand equity, as we saw with these two brands, can now be accelerated – from nowhere to now here. Consider too the number of multinational CPGs who have sought to minimize the threat of D2C upstarts through acquisition, gaining new consumer audiences that purchase brands direct.

Even as early as 2019, our research was indicating that young consumers wanted to buy directly from influencers. This has morphed their role from content creators to influencers, to manufacturers to retailers. Many have no desire to go on this journey... but some do.

And those that do present a real risk to established brands. Think about how influencer boxing has shaken up a tired industry, or how the Sidemen sold out an entire soccer stadium with a glorified kick-around with their mates.

Understanding our youngest audiences, how brands are now built, and how these brands can diversify is essential to understanding the commerce landscape of the future.

So what?

- New brands will appear quickly, able to generate brand equity in the blink of an eye and off the back of personal influencer brands.
- Established brands must consider what they offer that is different, purposeful or better, rather than what is new or an update..

Next steps

- Talk to [Chloe Cox](#) about influencer-led brands, and how social commerce is crucial to the fortunes of disruptor brands.
- Download our [Social Commerce](#) report, and [request](#) our “Trailblazers of Tomorrow” research which lays out how the consumers of tomorrow will buy.
- Contact [Michelle Baumann](#) for more information on building Behavior-Based Growth Audiences (i.e. based on what they buy and don't buy).

2

Altruistic data redistribution

When times get hard, people get generous. Even Scrooge got there in the end.

We see the increased reliance on food banks as the cost of living starts to bite. But while food might still be the fuel of life, data is the fuel of modern-day connection. How can we live in a world where some people are fat on the calories of data, and others are starving? Step forward “data altruism” – the practice of people voluntarily sharing their data to benefit others.

Examples include individuals sharing private medical information to aid research. Smartwatch and fitness tracker users can also choose to make their health data available to the medical and academic communities. One project in Germany asks people to ‘donate’ data about their credit ratings – with the aim of investigating bias in the credit scoring system.

Consider too [The Shared Network](#), the world’s first mobile network created for the homeless, which we developed with An Post, and which donates the unused minutes of mobile users in Ireland to its homeless community.

Altruism doesn’t have to exclude commercial opportunity. As people become more and more comfortable with the idea of sharing their data for targeted, controlled purposes, we can expect a new surge in the commercialization of data. But this time, with consumers firmly in charge. And if they can make a little money out of it at the same time, why not?

Just as marketplaces provide a platform for individuals to sell goods on the side, we’ll see consumer-facing “data marketplaces” start to take off, allowing people to make their data available for a fee (or otherwise) to those who want or need it. Think about it like the redistribution or resale economy, but with data.



So what?

- It’s in the interests of retailers and brands to get involved in aiding consumers who want to make better use of their data. Data collection and distribution are increasingly lucrative activities in their own right.
- Freeing up the flow of data also removes barriers to people accessing and engaging with online services, helping to grow customer bases.

Next steps

- Talk to our [Marketing Sciences team](#) about how data should be used and harnessed in the modern-day world of commerce.
- Talk to [Raghbir Rana](#) about the dynamics and mechanics of marketplace modeling – and setting up your own!

3 The power of Social Conversion

The future, when it comes to social commerce, is already there – “there” being a little ol’ place called China. Social drives commerce in China, with our Future Shopper survey revealing that 90% of Chinese consumers have shopped via social media. So what can the West learn about this future?

Social in China is about both content and conversion. Mega-powerful influencers livestream highly entertaining sales pitches and invite immediate purchase. The shopping experience is simple and seamless – literally a “one-stop-shop” – because it’s often contained within one ecosystem (primarily Alibaba’s).

Social commerce in the West is tiny by comparison. In the US it’s one-tenth the size of China, but it doesn’t take a soothsayer to predict explosive growth (and with growth comes opportunity). Major retailers have already flagged their intentions – witness “Amazon Live” and the imminent launch of “Walmart Creator”.

Brands and retailers globally will start to realize the power of what we’re terming “Social Conversion”. Much more than engendering “brand love”, it’s about encouraging “brand buy”. Most of the time conversion will happen right then and there on social, with the gap between desire and delivery dissolved. But social can also effectively direct traffic to other conversion channels, including physical retail.

Social will also continue its role as a driver of discovery – consumers use social channels to find their next favorite brand, online and offline. Treating it as a new route that leverages the brand love created on social to drive direct footfall to whichever conversion channel makes sense for a shopper, and is critical to harness its full power.

So what?

- Understand what’s happening in and around China within the social commerce ecosystem and identify the practices relevant for your brand.
- Rethink your strategy to be one of Social Conversion – employ great, engaging content that builds your brand, and make it as easy as possible to purchase.
- Map out the social commerce purchase journey to make it as smooth as possible. And consider all available channels, reframing where conversion may occur, online or offline.

Next steps

- For a deep dive on Social Commerce, contact [Debbie Ellison](#).
- Download our [Social Commerce](#) report, and [request](#) our “Trailblazers of Tomorrow” research for a future view on social.
- Learn from our [experts](#) how you can use more shoppable moments to drive both brand equity and business growth.

4

The age of experimentation and search

As shopping channels proliferate online, consumers are starting to view novelty in their shopping journeys as a virtue. As they hop from channel to channel, dabbling here and there to test the waters, serendipity has become a sought-after part of the shopping experience. We might call this the age of experimentation and search. It poses challenges to retailers and brands. But the key lies in turning unexpected moments into shoppable moments.

Vendors might pine for the days when they could more or less predict where their customers were coming from, and could count on their loyalty on the grounds of convenience or quality.

But the simple, linear patterns of old are gone. Consumers have brands and retailers at their beck and call. Moreover, digital shopping means navigating a web of connections that can throw up new ideas, suggestions and recommendations at any given moment, taking the consumer off in a completely new direction. These kinds of non-linear, non-repeating shopping journeys are hard enough to predict. Customers who make a point of seeking out experimentation and novelty are even harder.

A key finding of our Future Shopper survey was that 60% of consumers want brands and retailers to make both the online and offline experience more entertaining. In other words, what we would call “Creative Commerce”. That’s the spirit of experimentation and adventure in shopping, writ large.

To meet this demand, brands will have to think out-of-the-box. Introducing creativity into shopping journeys requires re-writing the rules of discovery, replacing the obvious with the surprising. Gamification has a role to play, as does re-imagining relationships with ‘non-commerce’ channels like entertainment and media.

But of course, no business wants to completely surrender control and predictability. So, whatever your approach, it has to be done with a deep understanding of your target audiences, to maximize the likelihood of success.

So what?

- In today’s commerce landscape, the power lies with the consumers. Businesses that recognize this shift and adapt accordingly will be better positioned to succeed in the increasingly competitive retail landscape.
- The solution lies in leveraging data analytics to gain insights into customer behavior, investing in innovative technologies to enhance the shopping experience, or developing unique marketing strategies that highlight the distinct advantages of choosing their brand.

Next steps

- Connect with our **strategy experts** for insights-driven creative commerce experiences, as well as our creative testing tools, to unlock business growth across channels and markets through powerful commerce strategies.
- Inspiration provides the spark. Explore the **Brave New World of Creative Commerce** and how to put creativity at the heart of commercial intention.

5

Welcome back old friend – the QR revolution continues

Sometimes, technologies are simply ahead of their time. Step forward the much-maligned QR code which made a triumphant comeback during the pandemic. Now, the world is ready, so what will the humble QR code do for commerce?

In the post-pandemic world, QR codes have evolved, emerging as a key component in a technologically advanced ecosystem. And the great news is that you no longer need to download a separate app! (We know all too well that consumers dismiss activities that are overly complex).

QR codes now facilitate seamless interactions across industries, serving as gateways to immersive experiences, integrated IoT (internet of things) applications, and personalized marketing campaigns. They have fundamentally reshaped the way users engage with digital and physical environments. While previously let down by their monochromatic and pixelated look, they can now be designed and tailored to generate interest, intrigue, and wow, unlocking seamless shopping experiences.

As QR codes evolve beyond their current capabilities, they may become the cornerstone of a seamlessly integrated digital landscape, propelling us towards a revolutionary shift in how we engage with our surroundings as sites for commerce. For example, Amazon hosted the NFL's first ever Black Friday game, and made content shoppable via QR codes linking to its Black Friday deals. Here's our own award-winner- a first-of-its-kind commerce experience that unlocks [OREO cookie offers](#) through barcodes on milk cartons.

As for the future? QR codes can be combined with Augmented Reality to bring to life a product online or enhance an experience in a physical store, and will continue to work hard to seamlessly integrate digital elements for more immersive and meaningful experiences.



So what?

- Shortcutting journeys for consumers is vital. Consider how QR codes can propel contactless transactions, drive interactive marketing experiences, and fortify security measures.
- As brands contemplate their strategies, harnessing the synergy between QR codes and emerging technologies will become imperative, offering innovative ways to connect with consumers, predict preferences, and streamline interactions.

Next steps

- Reach out to [Asha Tantuwaya](#) and understand how to harness the transformative power of QR codes in creating new commerce moments.
- Creativity + Technology is the unlock. Explore the role of QR codes as the connector to truly engaging creative commerce experiences that convert.

6

The rise of retail media and Creative Commerce

For the last couple of years, the Next Big Thing has been retail media. How big is Big? According to WARC, retail media spending globally reached \$128 billion in 2023, and is poised to overtake linear TV as the third biggest channel by spend. So, the landscape is being permanently altered.

Retail media is also ushering in the next era of commerce, one that is highly performance focused. Our technology-driven age means that the time-honored disciplines of shopper marketing for retailers and brands are being upended – “Clean Rooms” are overtaking clean stores, “Algorithms” are replacing human rhythms and “1P Data” is supplanting instinct.

All well and good, but our obsession with “optimizing” performance can only take us so far – returns become incremental rather than exponential. In future, it will no longer be about retail media as a vehicle, but how it is used to engage shoppers, and create experience.

We see the key to success in Creative Commerce – creativity that inspires conversion, regardless of channel. According to WARC, the second biggest driver of marketing effectiveness (behind brand size) is creativity, delivering on average 12 X ROI. Our own research shows a Creative Multiplier Effect of up to 400%, when creativity is harnessed in commerce channels.

Creative Commerce is easy to envisage, but hard to execute. Three potential “ways in” are: 1) identify all the growth occasions in the calendar for your brand, 2) look at what’s happening in culture, 3) think of new or unusual uses of retail media.

Retail media is powerful because it gets brands closer to the point of purchase. But to cut through and convert, ensure you are taking a Creative Commerce approach.



So what?

- Investing time, effort and budget in retail media is necessary but not sufficient – Creative Commerce is the true differentiator.
- Creative Commerce should build the brand, connect to purpose and culture, and earn and multiply attention by being clever and disruptive.
- It's all about adding art to science – research and data are the foundations for success, but creativity will enhance your ROI and multiply the effect of the message.

Next steps

- Connect with **Manuel Borde** to identify creative commerce opportunities that seamlessly tie and elevate media investments, or consider a ‘Brave Dropp’ live briefing.
- Ask how we can measure the Creative Multiplier Effect of your brand campaigns in commerce channels.
- Connect with **John Molendijk** to explore and maximize retail media opportunities.

What are we? Skin and bone? Blood and water? Yes. But we are also a set of highly predictable data points. In fact, the volume of data required to analyze and identify a human being and their personality is just a tiny fraction of the data that we produce over our lifetimes.

And if you don't think that your data is already arranged into a digital equivalent of you, then you're kidding yourself – purchase data, loyalty schemes, phone usage and tracking...

What this means is that while historically all we would leave on this earth was memories, we're now leaving "digital life records", and these records have enormous potential usage. Already data that we drop is being used to solve crimes. We've spoken for years about how these digital life records mean that we don't need to be alive to purchase (aka "post-death consumerism"). We've also covered in previous editions the role of digital twins for companies and users. Now we're seeing how this data is being used to create alternative realities with avatars in games and ultimately the metaverse.

But what does this mean for commerce? It means a variety of things. It means that with better data collation and sharing, businesses can develop much better, tailored and targeted sales programs. It means that we can get better at predicting what consumers will buy, from whom and when (often before they know it themselves). And it means that who we are marketing and selling to is also changing... from a complex, hard-to-fathom human, to a predictable and logical set of data points.

So what?

- Understand how data and its usage is transforming how businesses attract, sell to, and re-engage consumers and customers.
- Embrace AI and its ability to learn from existing data to create prediction models for future behaviors.

Next steps

- Talk to WPP's Chief AI Officer **Daniel Hulme** about our AI capabilities and how we are using these to change our clients' business practices.
- Connect with our Head of Innovation, **Naji El-Arifi** to identify future usage for data and AI, and to build out proof-of-concepts.

8

Better together – how collaborations can create opportunity and cut-through for brands

Standing out amongst competitors is a challenge for brands – with a proliferation of channels, a consolidation of marketplaces and online mega-retailers, not to mention the cost of search spiraling as brands ‘pay to play’ to connect with consumer eyeballs. So, reaching audiences – and keeping their attention – can be costly and hard to find room within a crowded market.

Recently, many brands have stopped thinking only about the value they bring to consumers and started to think about symbiotic and mutually beneficial partnerships. But why?

Partnerships not only bring new products to life, they can deliver outsized returns when it comes to driving mass consumer interest, thereby usurping the value that paid media alone could achieve. They offer a route into customer acquisition – by drawing upon the equity of both brands and introducing new offerings that excite consumers and drive huge chatter across social and traditional media.

A great example is that of Pizza Hut teaming-up with Hasbro Gaming’s Trivial Pursuit brand to bring hungry gamers a digital trivia game where two grand prize winners could win \$10,000 each. The game was laser-focused on winning at the moment of consumption and could be played solo or for groups up to six, making sure all pizza-lovers could participate.

Partnerships can (and will) go further than ‘brand x brand’ to include influencers or celebrities for product runs that are produced by a brand and powered by the talent’s following or strategic partnerships across channels like connected TV, gaming, and voice. Whilst awareness is key, commerce also underpins many of these examples, such as Amazon’s coverage of the NFL on Black Friday, which went beyond mere sponsorship and offered connected commerce opportunities throughout the programming.

However, many companies are not utilizing partnerships to their full potential, or worse, do not even have a strategy in the first place! This is worrying given the increasing importance of partnerships as a growth channel, and a missed opportunity for audience acquisition, brand reputation growth, and sales.



So what?

- This change will alter the way people shop, meaning that brands and retailers alike need to consider ways they partner with each other – and the platforms – or create their own channels to ensure they are participating in these conversations. Moreover, they need to monetize them.

Next steps

- Contact **Charlie Wade** about VML’s robust partnership methodology – S.C.O.R.E. – an assessment of a brand’s existing partnership strategy, as well as a framework for building a full approach to partner selection and product/campaigns that will delight and convert consumers.
- Consider activating Foresight, our Partnership Matching Tool, that quantitatively assesses brand and partner fit based on cross purchase, shopper metrics, growth potential and culture fit.



Consumer CO2 budgets and online shopping

In the last few years, we've seen an unprecedented number of natural disasters – from flooding to wildfires to storms. And yet, despite being cognizant of our impact, we consumers continue to demand products and services that add to these issues.

Our data tells us that 24% of online shoppers expect their products to arrive in less than 24 hours! But the tide does seem to be turning, with 52% of consumers claiming to have changed their shopping habits due to concerns about global warming and the environment.

Additionally, 46% of global consumers are using sustainable delivery options.

Is it enough? In last year's Tomorrow's Commerce report, we talked about fearmongering to prompt consumers into taking more environmentally friendly purchase decisions. But perhaps we need to be even more radical in our approach if we are to help save our planet. Without strict limitations on consumer carbon footprints, will we ever reach the net zero target?

One idea could be to introduce a 'CO2 budget' for every individual – an annual carbon limit comprising everything from travel, to the carbon footprint of goods bought, to deliveries, to utilities...

The instinct is to immediately push back against such ideas, on the grounds that people hate being dictated to in such strict terms. But when it comes to the environment, consumers are clear that they want leadership to help them reduce their impact. 58% told our Future Shopper survey that they feel too much responsibility is placed on individuals when it comes to making commerce more sustainable. 59% also believe brands and retailers aren't doing enough.



So what?

- Consumers are increasingly becoming more environmentally conscious and are looking for ways to reduce their carbon footprint, growing demand for sustainable products and services.
- Brands that want to stay ahead of the curve need to start thinking about how they can reduce their environmental impact.
- However, don't forget you still have to provide a fantastic service!

Next steps

- Contact our **consultancy team** about how our Sustainable Commerce Practice can help you to reduce the carbon footprint of your digital commerce offerings.
- Speak to **Dr. Laura Weis** who can tell you how AI can minimize the carbon impact of your delivery fleets.
- Connect with **Mike Rokes** to initiate journey mapping to identify opportunities to promote sustainable options, incentives and behaviors.

Ah, the metaverse. It's fair to say that the technological hot take of 2022 hasn't yet lived up to the hype. Where are the immersive 3D hangout spaces we were promised to free us from the confines of screen-based social media? Why can we not yet send our digital avatars to do our shopping in giant virtual superstores?

But from cloud computing to AI, groundbreaking technologies often take time to reach their potential, with a few bumps along the way. Today, there are signs the metaverse is ready to take flight as a more mature concept. It might even challenge us to rethink what we thought the metaverse is actually for.

All the early buzz around the metaverse focused on how it would revolutionize the consumer experience of technology, creating a VR internet that would allow us to (digitally) go where we want, do what we want, be who we want. That may still come to pass, but some of the most interesting developments are happening not in the consumer sphere, but in business.

Whether it's the use of digitally augmented retail training (with Meta featuring a major display at NRF 2024 on nextgen retail workforce development), or 'digital twin' simulations in product development and process design, we're seeing more of a 'big picture' definition of the metaverse emerging in B2B applications, with AR, XR and mixed reality technologies sitting alongside VR.

Indeed, AR that uses digital overlay to enhance how a worker operates in the real world has more far-reaching appeal in industry than shutting someone away in a virtual environment behind a headset. Whatever form they take, it's by connecting these digitized experiences – aka the metaverse – that we will see the benefits multiply.



So what?

- It's easy to get drawn into the hype around emerging tech. Look beyond the noise – the real value of any technology only emerges in how it is used over time.
- The core concept – merging XR and cloud/internet technologies to create connected, immersive digitized experiences – remains intriguing, with countless potential applications across B2C and B2B.

Next steps

- Connect with [Brian Yamada](#) or [Emma Chiu](#) to explore the opportunities that the metaverse can offer today and in the future.
- Download our report on [Disruptive Technologies](#).
- Contact [Michelle Baumann](#) to explore building Growth Audiences that live within the metaverse and how to convert them via Creative Commerce.

Ultra-luxe experiences and creating exclusivity in a digital world

Walk into a luxury store and you know you're entering an exclusive luxury experience. But go online, and sometimes it can often be hard to discern whether the product page you're scrolling through is for an exclusive luxury brand or a mass-market retailer.

The web is a great leveler when it comes to brands. So how will luxury brands use the next era of online to create exclusive digital sanctuaries? Or, to put it another way, how do you create luxury and exclusivity in a digital world?

We've had the era of free for all. Paywalls have long been erected. Now, instead of the dark web, we'll have the platinum web. A parallel online universe, invite-only, password-protected, spanning all online touchpoints, where only select consumers will be invited to partake.

The differentiation will not be via UX, but by admittance. With big ticket commerce – and the increasing comfort of consumers to spend large online – harnessing exclusive digital experiences will be key to keeping luxury brands on top.

The tech is already in place, tried and tested. And again it's China that's at the forefront of developments, with its tech leaders creating metaverse apps, as well as establishing metaverse luxury communities and metaverse shops, events, and fashion shows. Alibaba for instance has a designated luxury shopping platform "Tmall Luxury Pavilion" hosting augmented reality fashion shows. It's also introduced a Meta Pass, offering priority access to brands' products.

So what?

- Review what steps can be taken to make experiences exclusive, but don't limit your perspectives to the luxury leaders in the West. Much of the action is taking place in China.
- Think about admittance criteria to online sites, and understand how loyalty and retention can be bred through exclusivity.

Next steps

- Talk to our Global Lead for luxury **Ricardo Catalano** about trends in luxury and download this **infographic** featuring our top ten for 2024.
- Review your CX across all touchpoints with our Head of Commerce CX **Stephen Moody**.

No let-up in the quest for omni-channel omnipotence

The days of debating the pros and cons of omni-channel commerce are over. Omni-channel is now the default approach and goal for an overwhelming majority of brands – 94%, according to a recent [survey](#) we carried out.

Most shoppers today seek seamless, connected experiences however and wherever they shop. In the interests of remaining competitive in terms of reach and market presence, businesses are looking to meet these expectations. But no one ever said that omni-channel was easy.

The same survey found that 47% of business leaders feel there are now too many channels to sell through effectively. 44% admit that they struggle to deliver a consistent brand experience across all channels.

We saw these issues reflected in opinions on individual channels like D2C, marketplaces, social and retail media. D2C is the channel that brand leaders feel they understand best. Yet nearly half (46%) feel that offering a D2C proposition is too complicated. Marketplaces are viewed as the easiest channel to sell through, but 42% of business leaders also see marketplaces as a threat to their brand.

29% of survey respondents picked out social commerce as offering the biggest growth opportunity in the next five years. But 42% said they still don't know what good looks like in social commerce. Similarly, 65% believe retail media is vital to the growth of their brand, but 53% feel it is challenging to identify the right retailer sites to buy media on.

With tech development and consumer preference inspiring more and more channels – think gaming, metaverse, voice and other zero UI possibilities for a start – things are only going to get harder as retail continues to accommodate these evolving channels.

So what?

- Brands are overwhelmingly committed to the omni-channel challenge and seeking to create seamless customer experiences across all routes to market.
- But it's not getting any easier. It's not just about accommodating the new channels, but also supporting a powerful, balanced channel mix. Expert guidance is needed.

Next steps

- Connect with [Gemma Spence](#) to explore how our Commerce as a Service offering can be put to work for you.
- Run a Channel Audit to assess your eCommerce potential based on routes to market. Connect with [Shalina Ganatra](#) – and check availability for a free audit.
- Start thinking about new channel strategies including post-screen / zero UI. Connect with [Naji El-Arifi](#).

Brands that push further, and issues of impact

In the past, customer loyalty was fueled by brand and by product. As online evolved, service-led brands came to the fore.

But as more businesses hit these benchmarks, and super-fast delivery, returns and customer service become table-stakes, what will drive loyalty in the future? A big part of the answer we believe will be found in sustainability, ethics and purpose.

Our data tells us that consumers are increasingly driven by issues of impact. Our Future Shopper data tells us that over half (52%) of global consumers have changed their shopping habits due to their concerns about global warming.

Purpose is driving purchasing too, with 60% wanting to buy from brands that have a purpose that goes beyond selling products and services.

What we see is that when consumers are offered simple opportunities to act more sustainably, they take them – and a growing percentage are choosing sustainable delivery options like Amazon Day Delivery.

But be warned – while sustainability, ethics and purpose can influence purchasing, they must be based on a foundation of the right product at the right price, supported by the right service. It's a finding supported by our Future Shopper research as well as “The Gen Z Paradox – Conscience vs Commerce”, and one that helps explain apparent disconnects in consumer intent and action.

Get this mix right and matters of impact can become a competitive advantage.

So what?

- Consumers are increasingly thinking about the wider impact of commerce.
- Investment and strategy is required now to ensure that brands are ethically positioned for the future.

Next steps

- Engage with our **consultancy team** about your strategy, policy and processes, and redefine your purpose to make it resonate with consumers.
- Speak to them about how this new purpose can be taken to market, to position your brand in the right space.
- Familiarize yourself with the findings of **The Future Shopper** and “**The Gen Z Paradox – Conscience vs Commerce**”.

The rise of voice technology and zero UI (i.e. screenless user interfaces) is set to redefine our interaction with technology, particularly in commerce. With the increasing popularity of smart speakers and virtual assistants like Amazon's Alexa, voice commands are becoming a commonplace method for tasks such as ordering products and services.

This is just the beginning of a larger technological shift where we will see a move towards zero UI. This will be supercharged by the integration of Generative AI, including large language models like ChatGPT that are making these experiences far more life-like, with a better ability to understand what we want.

As the concept goes beyond traditional screen-based interfaces, users can interact with technology in more natural ways – and voice is still the fastest way for us to deliver commands to not only one another but machines as well.

One of the potential applications is gesture-based interfaces. These systems allow users to control devices through simple hand movements or facial expressions, eliminating the need for physical contact. A wave of the hand could turn on a light, or a nod could confirm a purchase. This not only makes technology more accessible but also creates a more interactive experience.

These advancements could significantly transform the shopping experience. Consumers could browse products, compare prices, and make purchases using voice commands or gestures. Retailers, on the other hand, could leverage these technologies to provide personalized shopping experiences, improve customer service, and increase sales.

Despite the exciting possibilities, the transition to zero UI also presents challenges. These include ensuring accessibility for all users, protecting user privacy, and overcoming technical limitations.

So what?

- Voice and zero UI are not just trends, but significant developments that will see smart assistants get smarter and help reshape the future of commerce.
- As the tech continues to advance, we can expect these issues to be addressed, paving the way for a new era of human-computer interaction.
- Businesses that can adapt to these changes and harness their potential will be well-positioned to thrive in this new landscape.

Next steps

- Connect with our Head of Innovation, [Naji El-Arifi](#), about the possibilities and applications of zero UI.
- Download our report on [Disruptive Technologies](#).

Price pales in comparison with service as consumers demand more

Offer a good enough deal and customers will come. Or so goes one of the age-old maxims of commerce. And on many levels, it still rings true. Price continues to play a key role in attracting customers. But is it enough to keep them?

We're seeing more and more evidence that, when it comes to long-term loyalty, shoppers value service over price. A more valid maxim is that customers come for price, but they stay for the service.

In our Future Shopper 2023 survey, price still ranked as the number one influence on people's purchasing decisions. But the rest of the top five were all about quality of service – how accurate product descriptions are, product availability and how easy it is to find items, and right there in black and white, how strong the customer service is.

Elsewhere, consumers fired clear warning shots about how strongly they feel about service. 61% told us that brands and retailers needed to get better at giving them the levels of service and quality of experience they wanted. 51% made it clear that they would shop elsewhere if their expectations were not met.

Other studies – here's [one](#) – have found that a majority of consumers are now willing to pay more for better service. This is especially true of younger shoppers.

Price and the sense of getting a good deal will not stop being important factors in purchasing decisions. But the continued growth of digital commerce is changing the way consumers think about and approach shopping. With more choice available and more opportunities to compare other shoppers' experiences via online reviews and social media, it's inevitable that consumers will become more discerning and demand more.



So what?

- Competing on price is frequently a race to the bottom, and there's a floor to how low you can go. With service, it's about raising the bar. And there's no ceiling.
- Brands and retailers need to grasp the value customers place on service. Delivering exceptional service that exceeds customer expectations is key.

Next steps

- Connect with [Manuel Borde](#) to explore ideas that harness the power of creativity to unlock commercial outcomes.
- Familiarize yourself with the [Brave New World of Creative Commerce](#) and its importance in purchase intent and decisions.

16 The new CSR – ‘Consumer’ Social Responsibility

Individuals with depression or anxiety may excessively shop online as a coping mechanism. While it provides temporary relief, it can worsen financial problems and mental health issues. We’ve seen certain industries – notably gambling, tobacco and alcohol – adopt a supportive stance to advocate against consuming at harmful levels. But do retailers have any responsibility when it comes to the care of consumers?

Another factor, identified in our Future Shopper research, is that 51% of global consumers say that their mental health has suffered as a consequence of working from home, while our research into Generation Alpha tells us that anxiety in a post-COVID world is high.

However, we’ve also noticed the trend of “compressed commerce” – the desire for consumers to get from inspiration to purchase as quickly as possible – and that a third of consumers have regretted spontaneous purchases they have made during Black Friday.

It means we’re seeing increased mental health challenges diametrically opposed to cleverer techniques to encourage consumers to convert. These feel at odds with each other.

So, retailers that will succeed in the long-term may well be those that balance the need for consumer conversion with a more holistic and considerate view of consumers. We know that consumers love brands that have a purpose that goes beyond just selling, so surely a point of differentiation could be selling with consideration – perhaps an extended, no-quibble cooling-off period on every order, for instance.

As such, we propose a new type of CSR. It’s no longer about “corporate social responsibility”, it’s now about “consumer social responsibility” – the art of looking after your consumers to promote long-term loyalty rather than short-term sales.

So what?

- Consumers favor businesses that have a clear purpose beyond selling, especially short-term sales.
- They also seek out entertainment or experiences that serve as an escape from their anxiety, and this has spawned many a company and industry, as well as a spike in big ticket consumerism.
- If you sense an opportunity for your business to build deeper, long-term consumer connections, ensure you communicate positively with an authentic sense of responsibility and understanding.

Next steps

- Connect with our **thought leadership team** about our insights into mental health, future generations, and purpose and ethics – and the value of authenticity.
- **Talk to us** about how to build experiences that convert, but ensure that consumers are not being taken advantage of.

Content supply chains of the future counting on the cure of AI

For modern digital businesses, your brand is your content. With 60% of digital consumers seeking to be entertained by the shopping experience, quality of content becomes a key differentiator that drives purchasing decisions. But supporting this appetite for content puts a massive strain on content supply chains.

It's not just consumers. Every website, every app, every marketplace listing, every social media account needs their content fix too. We've seen the rapid development of entire content production ecosystems dedicated to commerce as brands look for help. But with such a burden on an ever-increasing mix of channels and consumer expectation, there's a clear future challenge around scale and efficiency for brands.

Content supply chains are already undergoing rapid evolution. Generative AI is quickly becoming a go-to tool for brands looking to slash production times for differentiated content across channels.

But what about consistency? How do you ensure everything put out is on-brand? How can you be confident of always meeting compliance requirements? Or showing sensitivity to the diversity of your audiences?

AI offers a solution, and it's in an area where VML is breaking new ground in commerce. Our [Brand Guardian](#) solution uses NLP and computer vision AI to monitor large-scale content output according to pre-defined flexible 'rules' that will reflect your unique brand identity and regulatory environment. It proposes fixes to content errors too. We call the approach 'curative AI' – 'curing' anomalies within the context of high-scale digital content creation.

Curative AI can extract information from content assets, and describe it in ways that support validation, alteration, transformation, and correlation with numerical data. And together with Generative AI, it could help foster the content supply chain of the future – agile, responsive, and scaled.

So what?

- For brands to hit the right message, every time, having control across their content supply chains is just as important as scalability and efficiency.
- Curative AI is already being used to track brand consistency, compliance, and diversity and accessibility by some of the biggest brands around.

Next steps

- Talk to [Leon Suchocki](#) about Brand Guardian which delivers new efficiencies and quality control checks to audit your content at scale.
- [Download](#) our Brand Guardian guide for guidance and our offers on auditing and protecting your content.
- Connect with [Herb van der Raad](#) for a deeper and future perspective on content supply chains.

So long cash... but what's the "so what" for commerce?

The shift towards a cashless society is not just a trend, but a significant transformation that has far-reaching implications for commerce, reshaping the way businesses operate and consumers shop.

One of the most prominent effects of this shift is the need for businesses to adapt to new payment methods. Traditional cash transactions are being replaced by digital payments, mobile wallets, contactless cards, and even cryptocurrencies. Businesses must ensure they have the infrastructure to support these various options. This could involve investing in new technologies, partnering with fintech companies, or updating their systems.

However, the move towards a cashless society also raises concerns about accessibility. Not everyone has access to digital banking services or feels comfortable using them. There are still segments of the population who prefer or rely on cash transactions, including the elderly, those without bank accounts, and people living in rural or underprivileged areas. To ensure inclusivity, businesses must consider alternative payment options that cater to these groups. This could include maintaining the option for cash payments, offering prepaid cards, or developing simple and user-friendly digital payment solutions.

Data security is another critical issue in a cashless society. With more transactions happening online, there's an increased risk of cybercrime, data breaches, and fraud. Businesses must prioritize data protection and invest in robust cybersecurity measures to safeguard their customers' information. This includes implementing secure payment gateways, using encryption technologies, and regularly updating their security protocols.

All in all, it's a dynamic landscape that requires businesses to be adaptable, inclusive, and security-conscious.



So what?

- The move towards a cashless society presents both opportunities and challenges for businesses, and those that manage the transition will be well placed.
- A cashless economy requires a complex network of digital systems, which would be vulnerable to cyberattacks.

Next steps

- Do you have the requisite infrastructure in place to support these various payment options? Speak to our **tech consultants**.
- Speak with our **CX experts** for map your customer journeys to assess points of friction in the payment process.
- Download our report **Hard to Attract. Easy to Lose** to help optimize your payment processes.

Activating “Justice to Shelf” to meet the needs of new diverse growth audiences

Purposeful brands are on the rise, with consumers acting as champions of brands they believe in and foils to those they don't. Purpose-led brands bolster consumer confidence which translates into more brand value in the marketplace. And thus, retail continues to push both retailers and CPG brand partners to make more commerce decisions for the greater good, creating equitable, unified commerce experiences.

Today's consumers have changed from those we were serving 20, 10, or even 5 years ago in terms of demographics and lifestyle preferences. This has led to an increased demand for brands that directly respond to consumers' unmet needs, and skepticism of those racing to the bottom line with price increases and new product innovation designed only to drive profits.

Consumers increasingly expect brands to bring more “justice to shelf” as they seek out products, enterprises and ecosystems that inspire more diversity, equity and inclusion (DEI).

Take the healthcare space. In the US, [health disparities](#) run deep. Black people have higher rates of diabetes, hypertension, and heart disease than other groups, and black children have a 500% higher death rate from asthma compared with white children.

The availability of OTC (over-the-counter) medicines offers symptomatic relief for an estimated 60 million who otherwise would not seek treatment from a health professional. Making the products not only available, but using the retail media ecosystem to connect more black patients to the 750,000 retail outlets that sell these OTC products, is a great example of bringing “justice to shelf” at scale, with customer-centricity at its heart.



So what?

- Evaluate what the physical and digital shelf should look like across your channels and categories to meet the needs of today's new diverse growth audiences, prioritizing consumer needs first vs. shelving based on profitability or logistics for the brand.
- Work with retail and Retail Media Networks to stay relevant and ahead of the growth curve, employing entrepreneurial and DEI best practices to innovate and instigate category change.

Next steps

- Contact **Michelle Baumann** to explore Growth Mining capability, focused on Growth Audiences and Human-Centered Shopper Journeys to unpick the nuance of these distinct audiences.
- Conduct a Category & Aisle Assortment audit to determine what's ripe for reinvention at retail.
- Engage our **Inclusion Experience experts** to explore how to win at retail with multi-cultural growth audiences.

20 Unlocking gated communities in commerce

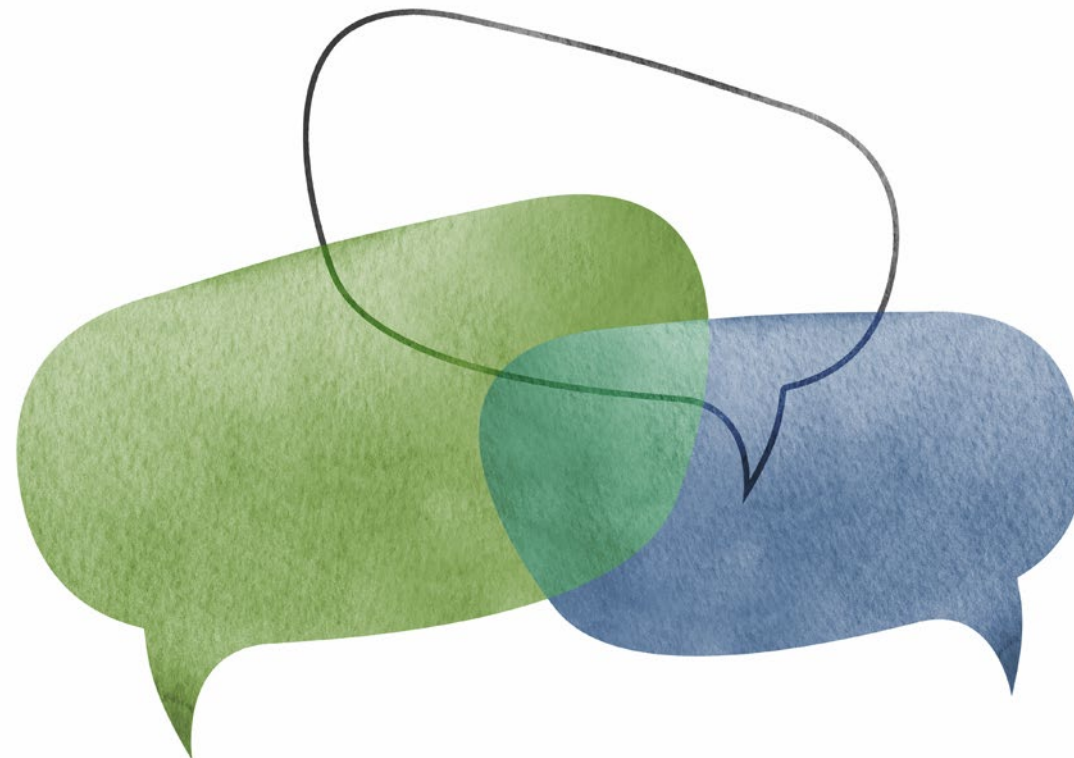
As we are seeing in China, the internet will become too big and unwieldy for consumers and brands to navigate with ease. The result? People will revert to closed digital communities.

As part of this phenomenon, we'll see groups of people conversing inside apps, with conversations heavily directed or led either by influencers that consumers follow (be they real or AI) or figureheads, from matriarchs to the 'cool kids'.

This allows individuals to succumb to their inherent herd instinct and ensure they are buying the things that will afford status. (Keeping-up with the eJones's).

The challenge for brands will be infiltrating these conversations – this includes the barrier of getting 'inside' the chat and also promoting their products in a way that is authentic to the group and not disruptive. The upside, however, is that many conversations can be easily monetized.

This is just part of a wider social commerce surge, propelled by a consumer base that is connected to their phones. It will be further powered by enhanced digital payment options and, in many countries, access to speedy localized logistics.



So what?

- This future will unlock opportunities for smaller businesses that can create their own groups of influence, including those that have struggled to gain a foothold in the mainstream.
- Brands can integrate shopping functionality through strategic partnerships – see JioMart and WhatsApp in India – or creating 'Super Apps' (big in China), thereby allowing people to instantly buy or group-buy. ("Friend A, you bring Coca-Cola to the party; Friend B, chips", with checkout at Walmart integrated).
- More than that, by recognizing keywords, products or deals could be served to people inside the chat environment.

Next steps

- Contact **Charlie Wade** and **Debbie Ellison** for a deep dive on Social Commerce.
- Download our **Social Commerce** report based on the latest Future Shopper survey.



About VML

VML is a leading creative company that combines brand experience, customer experience, and commerce, creating connected brands to drive growth. VML is celebrated for its innovative and award-winning work for blue chip client partners including AstraZeneca, Colgate-Palmolive, Dell, Ford, Intel, Microsoft, Nestlé, The Coca-Cola Company, and Wendy's. The agency is recognized by the Forrester Wave™ Reports, which name WPP as a “Leader” in Commerce Services, Global Digital Experience Services, Global Marketing Services and, most recently, Marketing Measurement & Optimization. In addition, VML's specialist health network, VML Health, is one of the world's largest and most awarded health agencies. VML's global network is powered by 30,000 talented people across 60-plus markets, with principal offices in Kansas City, New York, Detroit, London, São Paulo, Shanghai, Singapore, and Sydney.

VML is a WPP agency (NYSE: WPP). For more information, please visit www.vml.com, and follow along on [Instagram](#), [LinkedIn](#), and [X](#). [#WeAreVML](#)

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