



Five ways to reimagine the commerce experience

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So, we started this study in 2020 with the purpose of understanding what the future of commerce would look like, considering the new landscape that was shaping up, new technology coming in, new players. What we never expected was that a pandemic like the one that we are still going through would make the future happen now. What we were expecting to happen over a period of three to five years actually happened in a matter of months.

So, the next question had to be, what's next? What will be the decisive factor that is going to differentiate between winners and losers in the new evolved commerce playground. So we research with consumers and subject matter experts from different industries, and what we learned was very simple, but at the same time, very powerful. We need to humanize commerce.

Humanized experiences will drive the future of commerce. Actually, commerce needs to become an experience beyond the transaction itself with creative commerce as the key driver. We believe that commerce holds the most untapped potential to build brands and drive conversion. But how to get there? Well, we have identified the five pillars that we need to consider to bring humanity back to commerce. So, let's go quickly through them.

So, our first way to win is reimagine the commerce experience. Commerce is the most untapped strategic opportunity for creative solutions to build brands and drive growth. But companies still approach it as a tactic and a transaction. It's actually a really exciting time for brands, even in what sometimes seems like a soulless age of contactless commerce. We need to create humanized experiences with impact. And there are a number of approaches we can take.

Leveraging technology and data to deliver relevant content at the moments that matter to people. Embracing DTC, but not overlooking traditional stores – their role is really evolving. And turning shoppers into buyers through immersive and informative experiences.

Shiseido's global flagship store in Tokyo combines touchless technology with shopper interaction. They can add products to their virtual cart as they shop, browse, and sample. And these are then brought to the checkout when they're ready to go. Mirror-light touch screens allow them to sample through simulation, and meditation pods can be booked for a little time out. The changes made help to limit contact with employees and other customers during a pandemic, but they're creative enough to also offer a completely immersive elevated shopping experience.

So master occasions and culture, get inspired across categories and markets, expand your products and services, and treat people like individuals. Ultimately, look for new and rewarding ways to enhance customer experience along the entire journey.

A second way to win is unify your commerce ecosystem. So contactless has enabled more touchpoints to become commerce touchpoints. But too often, they are used independently and deliver a disconnected experience. We need to connect people, brand and retailer through the right commerce ecosystem, and we do this by one, defining. Be clear on the channels you use and how to use them more effectively. Consider how people are actually using and experiencing them.

Two, building. Ensure your business is ready to deliver your commerce ecosystem from upskilling and talent acquisition to building dynamic partner networks. And thirdly, delivering. Ensure your ecosystem delivers consistent and distinctive experiences.

A great example of bringing new touchpoints into a commerce ecosystem is KFC's Colonel KI, which used an AI prediction algorithm that allow Chinese gamers to get live information and accurate predictions in real time on their League of Legends games through the brand's app. During exciting moments in matches, Colonel KI would distribute QR coupons for the KFC menu items. So, it's by unifying new channels and touchpoints, exploring effective strategic partnerships, delivering a seamless CX and embracing the operational tech and talent that we can succeed.

Our third way to win is embrace knowledge as your new currency. Data, knowledge – everyone wants it, yet not everyone has it or knows how to use it to transform the commerce experience. But when 50% of consumers surveyed believe allowing use of their personal data they will get promotions, rewards and exclusive offers, and 40% believe they will get a more personalised experience, we clearly need to take some action.

Collect first-party data. But where retailers and payment providers are owning so much of it, brands are now having to go out there themselves, leveraging apps, real people to really listen and learn. Personalising experiences can both collect data and build relationships that last. And we can discover untapped opportunities and really take advantage of AI.

So, we can't talk about commerce without mentioning Amazon. Amazon has obviously dominated the contactless landscape and brought focus onto the importance of first-party data derived from digital payments. As it moves into physical spaces, they're deploying new technologies like the Dash Cart and Dash Smart Shelf to both elevate the commerce experience, but also allow them to capture data and keep shoppers in their ecosystem. So, when you combine behavioural science, data analytics and AI to capture the right data, you can really understand people, facilitate preference and product selection and identify the right moments to act and grow. Knowledge humanizes commerce.

Our fourth way to win is rewrite your value exchange. People are looking beyond product, and price and the value exchanged at the point of purchase may not always be currency. 60% of shoppers are using digital payments as they are easier, so convenient. But 60% also say they will appreciate service and value over convenience in the future. We need to be clear about the benefits of brand brings to people beyond the product itself to create new, humanized commerce experiences that are meaningful. We should facilitate greater convenience and ease throughout the whole commerce experience, but really start to go beyond the functional benefits to unlock the values driving choice.

There's a tension between attitude and action, however. People may want more entertainment when shopping, but not at the expense of convenience. They express an interest in sustainability, but still keep an eye on price. And they look to a brand's social impact, but within their regular shopping routine. So, we must understand the most relevant values that influence purchase choice.

IKEA has been exploring how to rewrite its value exchange. Black Friday, usually the biggest shopping day on Earth, last year, IKEA decided to do something radically different – buy back its old furniture from its customers. Participating customers received a special IKEA voucher to spend on something they wanted. And anything that wasn't resold was recycled or donated to people in need. They're continuing to build and expand on that this year. So informed by cultural trends and audience insights, look beyond price and product, rethink the offer and elevate relevant values for the ultimate exchange.

Our fifth and final way to win is engage with purpose. It's not enough to state your brand values on your website or your office walls – you must deliver against them. Be authentic, be relevant, and never take trust for granted. When over 73% of people are willing to pay more for products that guarantee total transparency, it's something that we can't overlook.

Be inclusive and empower people to make change for the better. There is a 50% greater conversion rate when customer advocacy is integrated into the sales process, so listen to them. And finally, embed tangible, sustainable behaviours in everything your business does. Starbucks is delivering big on humanizing commerce across a number of initiatives and changes, one being the elevation of some of their coffee shops into signing stores to support their deaf or hard of hearing employees and consumers. So now a barista doesn't need to hear you to know exactly how to take your coffee. This creates an inclusive space to connect and just feels like the right thing to do.

So, build meaningful humanized commerce experiences by connecting with people through purposeful communications and communities that deliver on trust and transparency. In the end, people will have a closer connection to your brand.

So, these are your five pillars to win on your journey to humanizing commerce. Reimagine the commerce experience, unify your commerce ecosystem, embrace knowledge as your new currency, knowledge, not just data, rewrite your values change, and engage with purpose.