

20 key trends from VML's *Tomorrow's Commerce* report

VML has launched its seventh edition of *Tomorrow's Commerce*, a report of trends predicted to influence and shape the future of commerce. The report's research and analysis draw upon the company's comprehensive global Future Shopper surveys, insights gathered from client discussions spanning various business sectors, and expertise from in-house commerce specialists located across over 150 offices worldwide.



Source: www.unsplash.com

This edition unpacks 20 specific trends, including:

1. A New Brand Order with Less Brand Equity

Disruptor brands are on the rise, using a combination of influencer personalities, strategic promotions, and new distribution channels to build brand equity quickly. This challenges traditional brands that rely on established reputations, as consumers are now open to buying directly from influencer-created companies.

2. Altruistic Data Redistribution

“Data Altruism” is emerging as a way for people to share their data for social good, like medical research. This trend presents an opportunity for businesses to get involved in empowering consumers and expanding their customer base.

E.g., Apple ResearchKit and CareKit empower medical researchers, doctors, and consumers worldwide to voluntarily contribute their health data to medical research studies, collecting relevant data, (steps, heart rate, sleep patterns), depending on the study.

3. The Power of Social Conversion

Social commerce is booming in China, where influencers drive sales through entertaining livestreams within large social media ecosystems. While the West lags, the potential is massive. Brands need to adopt a “Social Conversion” strategy, using engaging social content to drive immediate purchases or seamlessly direct traffic to other channels, both online and physical stores. Here in South Africa, we see Live Shopping making a version of this happen for brands.

4. The Age of Experimentation and Search

Shoppers seek novelty in their online journeys, hopping between channels and making unplanned purchases. This

unpredictable behaviour challenges retailers to turn these opportunities into a sale. Brands must embrace “Creative Commerce” through surprise and gamification and / or collaborating with non-commerce channels to make shopping more engaging and adventurous.

5. Welcome Back, Old Friend – The QR Revolution Continues

QR codes are making a comeback, linking to immersive content, integrated with IoT applications, and personalised marketing. They have the potential to become a major part of a connected digital landscape, allowing for innovative shopping experiences like Amazon’s Black Friday deals or Oreo cookie offers via milk cartons.

6. The Rise of Retail Media and Creative Commerce

As retail media spend booms, more focus on performance optimisation is needed. Using creative marketing within retail media to engage shoppers and drive sales (“Creative Commerce”) can have a multiplier effect on ROI. That said, it requires going beyond basic tactics and leveraging cultural moments or unexpected uses of retail media to stand out. While retail media brings brands closer to the purchase point, creativity is what will convert shoppers.

7. Digital Life Records

The data we generate throughout our lives creates “digital life records” that are valuable; used to solve crimes, enabling post-death purchases through digital avatars, and even creating personalised marketing strategies. Commerce is being transformed by the ability to understand and predict consumer behaviour through data, shifting the focus from complex human interactions to analysing data points.



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8. Better Together – How Collaborations Can Create Opportunity and Cut-through for Brands

Brands need help reaching and engaging consumers in a crowded marketplace and so, they’re moving beyond traditional marketing and forming strategic partnerships. These create exciting new products, generate social media hype, and drive sales. Go beyond “brand x brand” and consider collaborations with influencers, celebrities, or other channels like gaming and connected TV.

Nedbank, for example, launched ‘Chow Town’ on Roblox, a popular gaming platform frequented by Gen Z and Gen Alpha. Developed here in South Africa, Chow Town transcends entertainment by incorporating gamified elements to foster financial literacy.

9. Consumer CO2 Budgets and Online Shopping

Consumers are conflicted; they know their shopping habits harm the environment, yet still demand fast deliveries; 24% of online shoppers expect products to arrive within 24 hours. While there’s a growing interest in sustainable options, it might be enough – 46% of global consumers use sustainable delivery options, while 52% claim to have intentionally changed the shopping habits.

The report suggests a radical solution: a “CO2 budget” per person, limiting their carbon footprint across purchases, travel, and utilities. Consumers aren’t against such measures – they feel overwhelmed by their responsibility and believe businesses must do more. That said, sustainability shouldn’t compromise a great customer experience.

10. The Mature Metaverse

The hype of 2022 has cooled down, with the promise of virtual worlds and shopping experiences yet to be realised. However, the underlying technology is maturing and finding its footing in the business world. Its potential lies in B2B applications like AR training simulations and product design, with potential to focus on how these digital experiences connect and enhance real-world tasks.



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11. Ultra-luxe Experiences and Creating Exclusivity in a Digital World

Luxury brands struggle to maintain exclusivity online, where everything looks the same. An invite-only online experience with password protection across all touchpoints, called a “platinum web” is a solution. This VIP treatment will serve to attract high spending customers who are comfortable buying luxury items online. China is getting it right.

12. No Let-up in the Quest for Omnichannel Omnipotence

Omnichannel commerce is the standard for brands but is challenging to manage. 94% of brands surveyed offer omnichannel experiences, and nearly half struggle to deliver a consistent brand image across all channels. Brands are still determining the best approach for each channel, with many finding D2C too complex and marketplaces a potential threat. Social commerce is seen as a future opportunity, but many need a clear strategy. As new channels like metaverse and voice shopping emerge, managing an omnichannel presence will become even more complex. Brands need expert guidance to navigate this increasingly intricate landscape.

13. Brands that Push Further and Issues of Impact

Purpose drives purchasing, with 60% of shoppers wanting to buy from brands with a purpose that goes beyond selling products and services. Sustainability and ethical practices significantly influence buying decisions. While these factors are important, they can't replace a good product at a fair price with excellent service.

14. Smart Assistants Get Smarter as Zero UI Matures

Voice assistants and zero-interface technology like gesture control are revolutionising how we interact with machines. Voice commands are becoming commonplace for tasks like shopping, and advancements in AI are making these interactions more natural and lifelike. As the concept goes beyond traditional screen-based interfaces, users can interact with technology more naturally, allowing for a more seamless and personalised shopping experience.

15. Price Pales in Comparison with Service as Consumers Demand More

While price remains a deciding factor, it's no longer enough to keep customers loyal – 61% said brands must get better at giving the standard of service/quality of experience they wanted. 51% said they would shop elsewhere if their expectations were unmet.

The focus is shifting towards service quality. Studies show that good service is a driver of customer retention, with many consumers even willing to pay more – especially true for younger demographics. With abundant choices and easy access to reviews, shoppers are more discerning and expect exceptional service. The takeaway is clear: prioritise excellent service to build lasting customer loyalty.

16. The New CSR – ‘Consumer’ Social Responsibility

Shopping online can be a coping mechanism for people with anxiety or depression, but it can worsen their problems in the long run. This raises the question of whether retailers should take some responsibility for consumer well-being. The issue is

complex. On one hand, consumers want ways to manage their mental health, and some purchases might be impulsive or regrettable. Conversely, retailers focus on driving sales and conversions. Retailers can differentiate themselves by prioritising consumer well-being alongside sales, e.g., offer extended return periods or responsible marketing practices.

17. Content Supply Chains of the Future Counting on the Cure of AI

High-quality content is crucial for brands as it entertains shoppers. However, creating content across various channels can be a challenge. Generative AI helps with production speed but maintaining brand consistency and adhering to regulations can be difficult. “Curative AI” is the solution – it uses AI to monitor large amounts of content, ensuring it aligns with your brand identity, complies with regulations, and avoids offensive or insensitive material.

18. So Long Cash... But What’s the “So What” for Commerce?

A cashless society is transforming commerce. Businesses must adapt by accepting digital payments, mobile wallets, and cryptocurrencies. However, they must also consider people who prefer cash or lack access to digital banking. Security is another concern as digital transactions rise. Businesses must be adaptable, inclusive, and security conscious.

19. Activating “Justice to Shelf” to Meet the Needs of New Diverse Growth Audiences

Consumers are more purpose-driven and expect brands to address social issues like diversity and inclusion. This leads to the rise of “justice to shelf” initiatives, where retailers and brands work to ensure products meet the needs of under-served communities. For brands, this means re-evaluating product offerings and partnering with retailers to make them accessible to diverse audiences.

20. Unlocking Gated Communities in Commerce

The future of online shopping might involve closed online communities, as in China. Imagine groups chatting within apps, influenced by celebrities or trusted figures. People will buy things based on these recommendations. Brands must find ways to integrate themselves into these conversations to reach customers authentically. This presents an opportunity for smaller businesses and opens doors for embedded shopping experiences within these communities. Brands can partner with existing apps or create “Super Apps” for easy in-chat or group purchases.

Download the full Tomorrow’s Commerce 2024 Report [here](#).

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