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Everywhere Commerce

Online shopping is now the norm, so retail organizations must create new opportunities for transactions in new physical and digital places. With the right partners – and by harnessing appropriate emotions – any activity can generate a customer.

What's going on

By early 2020, many people were regularly shopping on retail websites. Then, lockdown measures and social distancing to stem the spread of COVID-19 rapidly accelerated the growth of e-commerce – speeding it up by four to six years in just a couple of months.[1]

Dot com shops are not the only way to reach shoppers, however. For while e-commerce has grown, so too has customer engagement with brands and shopping in new ways that are convenient for them.

In China, for example, social commerce – shopping via social platforms – has become big business. WeChat, owned by Tencent, delivered $115 billion in social commerce sales in 2019 alone.[2] Meanwhile, Pinduoduo, an app that lets users shop virtually with friends on social media, has grown from a start-up to the country's second-most-valuable online retailer.[3]

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Elsewhere, Shopify has seen a huge increase in the volume of brands mobilizing e-commerce platforms, demonstrating a strong appetite to build direct-to-consumer models alongside digital marketplace strategies.[4]

Boundaries between brand content, user-generated content and e-commerce stores are blurring, creating several different paths to purchase. Meanwhile, content and commerce are merging, enabling shoppers to buy relevant products in nontraditional e-commerce settings, creating new direct selling opportunities.

To respond, retail brands need to completely integrate into this changing marketplace so they are shoppable when and where their customers are ready to buy.

What's next

Retail brands need to meet their audience where they're already consuming content, and where audiences are consuming content is rapidly evolving.

When musical artist Travis Scott debuted new songs in a virtual concert within the hit video game Fortnite in April 2020, a staggering 27 million+ people viewed the popular rapper's work – the largest in-game gathering in Fortnite's history.[5] This is a powerful demonstration of how the right experience can turn any person into a new fan or customer.

Retail organizations can make any place their point of purchase. But their ability to do so will depend on having the right strategy and the right partners and leveraging effective emotional content.

Opportunities for reimagination

1. Partner Power

Retail brands are no longer the sole owner of the customer journey from acquisition to purchase.

Technology partnerships – enabling anything from using voice to create shopping lists on Amazon Echo to buying products discovered on Instagram or Pinterest – are increasingly important, especially to reach a new generation of shoppers. TikTok, for example, has partnered with Shopify to enable more than 1 million merchants to sell their products to viewers using video advertisements.[6]

Other non-retail organizations moving into the retail space include messaging platform WhatsApp, which has introduced a cart function that allows users to browse a catalog, select multiple products and send the order as one message to the business.[7] With businesses now easily able to help their customers place orders directly through the app, the app acts as a store counter through which customers can discuss products and coordinate sales directly.

Social platforms are positioning to provide the complete shopping experience – from inspiration to browsing, purchasing and follow-up – entirely within one connected social media experience. Recently, Instagram changed its app layout to emphasize shopping functionality. With its planned introduction of shopping via its Reels feature, it will effectively turn from social platform into product catalog.[8]

Success doesn't happen by just showing up on new platforms, however. Retail organizations must build experiences that are connected and in line with what their customers are doing and what they value.

With the right partners, any online touchpoint can turn into a transaction.

2. Emotion and Consumption Go Hand-in-hand

Shopping is rarely, if ever, simply a functional execution. This is because when people enter a retail space, they do so with many different emotions. Retail organizations can harness this, but only if they understand, accommodate and respond to shoppers' emotions appropriately and empathetically.

IKEA is tapping into emotions with its Planning Studios, which are designed to inspire and advise.[9] The experience it has created uses small-format physical stores to engage and motivate people who are looking to furnish their kitchens, living rooms and bedrooms and would rather buy their furniture online and have it delivered. This also shows that retail experiences don't start and stop in the same place.

Spotify is known as a music provider that allows paid subscribers to enjoy music without ads. Now, tapping into the emotional connection between listeners and the music they love, it also sells tickets to upcoming shows, without users' needing to leave the app. Fans can even use it to buy rare releases of an artist's work, such as vinyl, and other merchandise.

NBCUniversal introduced a way to incorporate commerce directly into article and video ads, enabling brand advertisers to capitalize on the emotional connection between an audience and the content they are watching.[10] Using NBCUniversal Checkout, viewers can click a featured product to access the listing from a partner merchant, make a purchase and complete the entire transaction – all without leaving the video they're watching.

Additionally, NBCUniversal's ShoppableTV lets viewers purchase products from traditional TV ads by connecting programming on TV with a shopping experience on their phones using QR codes as the connector.[11]

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What retail
brands can do next

1. Pick Partners Wisely

Collaborating with a partner – platforms such as Instagram or TikTok, for example – can be a powerful way for a retail organization to generate sales and reach new generations of shoppers. But remember, selling on social (or any new platform, for that matter) is like choosing a new location for a new physical store.

What type of customers will be in that area? What other activities occur nearby? Will it seem out of place or brilliantly positioned? Answering these questions will require experimentation and examination of behavioral analytics – which modern platforms are well equipped to provide.

2. Consider the Fit Between Emotions and Content

When a retail brand starts appearing in new contexts, it can absorb the best (and worst) parts of its new environment. It is therefore important that the fit between brand and platform partner – a social media influencer, for example, or an in-game tie-in – works. Consider the emotions of the content to assess the fit. Work closely with your communications strategy team to ensure brand messaging is in alignment with your digital strategy experiments.

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