ADWEEK®
/COMMERCEWEEK

PUBLICIS COMMERCE

Trends Report

July 11 – 12, 2023
New York, NY

Adweek Commerce Week: Decoding the Customer Journey

On July 11 – 12, 2023, Adweek hosted its annual Commerce Week event with a theme of Decoding the Customer Journey and bringing together marketing and retail industry leaders to explore new pathways to deliver seamless, individualized commerce across touchpoints. The two-day event was grounded in delivering commerce experiences that engage and delight shoppers and deliver value for customers through new and innovative uses of data, technology, insights, and more.

Key topics covered include:

- **Automated Intelligence**

- **Customer Relationship Management**

- **Customer Journey Education & Innovation**

- **Retail Media Networks**

- **Sustainability**

- **Convenient Commerce Experiences**

- **Diversity Equity & Inclusion**

- **The Power of the Storefront**

Across the breadth and depth of topics and expertise shared across the two days, key trends and takeaways emerged as marketers and retailers alike look to unlock growth in a landscape where consumers now have more control than ever. Thought leaders across Publicis Commerce share insights gleaned from the event in the following POVs:

Table of Contents

Customers are In Control:
Listen & Learn to Drive Growth

Matt Horton
SVP, Go-to-Market Strategy
Publicis Commerce

With an overall theme of Decoding the Customer Journey, discussions around how to best reach, engage and deliver value for customers was at the forefront of panel discussions throughout the two-day event with a particular focus on the control consumers have in today's marketplace. Whether through data, technology, or innovation, and regardless of platform it was clear brands must listen to and embrace the control consumers have to drive growth. Specifically, three key themes emerged for brands to harness customer control as a valuable asset for their growth trajectory.

KEY TAKEAWAYS

Listen to Customers: Consumers have more choices than ever, and their needs are ever changing. Brands need to take a dynamic approach to their customers, listening to their wants and needs, and being flexible to modify strategies on the fly based on customer response.

- **Ensure the right foundational technology and tools** are in place to bring customer needs to life. A great strategy cannot live in a silo and must work together with the full tech stack, including AI, to bring seamless execution to life.

- **Give consumers a forum to communicate and reasons to engage.** When done properly and with authenticity, rewards, badging, brand ambassadors, and exclusivity for the most loyal communities can all be the bridge between audiences and the brand, providing powerful feedback to not only grow, but retain customers.

- **Let customers influence and inform every part of the organization.** Marketing has the unique ability to connect the organization through customers, but also influence what matters the most, including product, pricing, fulfillment, policy, experience, and more.

Customer Relationships are Always-On: In a world of instant gratification consumers are accustomed to 24/7 access, rapid response times, and immediate solutions. This makes it more important than ever to meet customers wherever they are and engage with them during crucial moments.

- **The purchase funnel has collapsed,** and brands need to meet consumers where they are, at all touchpoints, with authentic content.

- **Purchase is the new start of the experience.** What used to be the end goal is now just the beginning of growing a cultivating and always-on, personalized experience.

- **Data and insights can provide powerful signals** to foster an always-on relationship and uncover fresh avenues for consumers to engage with the brand.

Customers are In Control:
Listen & Learn to Drive Growth

KEY TAKEAWAYS - Continued

Be Vulnerable & Tell Real Stories: Consumers are more informed than ever and therefore brands must speak to, not at, their customers to foster transparency, authenticity, education, and community.

- **Vulnerability captures attention.** Today's sociopolitical landscape is constantly changing, and people's viewpoints are more divided than ever before. Brands need to be vulnerable and real about their beliefs to capture attention and stop the scroll.

- **Don't underestimate the knowledge of consumers.** Customers have unlimited access to information so don't make them dig for education and key differentiators.

- **Rethink the status quo.** One campaign has the potential to move the industry to be more inclusive. For example, removing words like "flawless" from a women's beauty campaign creates an opportunity for women to feel safe, seen, and heard.

Customers are foundational to every brand's success and by fostering them appropriately they can be a brand's most powerful asset through listening, learning, and driving growth. ◆

The New Saturday Morning Cartoons:
Social Media and Gaming

Emily Staples
Manager, Commerce Strategy
Publicis Commerce

Saturday morning cartoons were a beloved phenomenon for children and advertisers alike. This channel served as a gateway for kids to discover the toys they wanted for Christmas and the cereal they craved before heading off to school. This cultural tradition thrived among Baby Boomers, Gen X, and Millennials. Even I, as an older Gen Z, have memories of watching Disney Channel and Hannah Montana on the weekends. However, Saturday morning cartoons officially met their demise in 2014 with the final airing of The Vortexx on the CW. This shift begs the question: What entertainment avenues do younger generations now turn to on weekends? The answer lies in the realm of social media and gaming, which have become primary sources of leisure and engagement for today's youth.

KEY TAKEAWAYS

Unleashing the Power of Short-Form Video and Influencers: Video consumption continues to thrive, albeit in a transformed manner. Gen Z exhibits a strong affinity for video content, particularly short-form and vertical videos. Horowitz Research discovered that a significant 79% of individuals aged 13 to 24 regularly stream short-form content. The rise of short content, however, implies that marketers now have shorter windows to capture consumers' attention. To effectively reach this audience, marketers should collaborate with influencers who possess a deep understanding of their target demographic. The focus should be on creating entertaining content rather than overtly promotional material. If your brand wishes to leverage a popular sound on TikTok, it must swiftly produce content within two weeks of the trend's emergence; otherwise, it may come across as inauthentic.

While trendy content can be appealing, it is essential to consider evergreen tactics as well. Sometimes, steering clear of trend-focused content and concentrating on strategies that have a lasting appeal can yield better results for brands.

The Double-Screen Generation: Although Gen Z tends to be cord cutters, gravitating towards ad-free streaming platforms, they are avid double-screen users. This means that even if you can't reach them on their preferred streaming service, you can still engage them on their smartphones. Research conducted by Digital Turbine reveals that a staggering 76% of Gen Z individuals use their phones while watching TV. During this time, they engage in activities such as social media browsing, texting friends, reading emails, and playing games.

Considering this behavior, adopting omnichannel strategies has become more crucial than ever in reaching and connecting with consumers. Recognizing that the customer journey is far from linear, marketers must consider all facets of the consumer experience. By embracing a holistic approach, brands can effectively engage Gen Z across multiple touchpoints, ensuring a more comprehensive and impactful marketing strategy. ▸▤

The New Saturday Morning Cartoons:
Social Media and Gaming

KEY TAKEAWAYS - Continued

Building Bridges in the Gaming Community: For those Gen Zers who aren't inclined towards streaming or social media, gaming is often their go-to choice. Gaming, in many ways, revolves around community-building and could be considered the modern-day equivalent of making friends on the playground. Therefore, it holds significant importance for brands to seamlessly integrate themselves into gamers' environments and culture.

To establish credibility within the gaming community, leveraging gaming influencers can be highly effective. Partnering with influencers who have a strong presence and influence in the gaming world can help your brand gain trust and recognition among gamers. Rather than attempting to create your own gaming environment from scratch, it is often more fruitful to tap into existing games that enjoy substantial user engagement. Placing pop-ups and integrations within games that already attract a significant number of players ensures maximum visibility and optimal results for your brand. ◆

Measurement: A Leading Topic, but Is It Ready for the Spotlight?

Andrew Janis
EVP Data Intelligence
Arc Worldwide

The dominant theme of this year's Commerce Week was, surprisingly even more than AI, the importance of measurement and leveraging customer data to improve the customer journey. Nearly every session touched upon this topic, underscoring its significance throughout the event. The breadth of applications discussed was staggering, showcasing the many ways in which businesses can harness customer data, though certain themes emerged with distinct clarity.

KEY TAKEAWAYS

Retail Media Measurement: It became clear that one of the main factors driving marketers to pour ever-increasing amounts of money into retail media is the promise of end-to-end measurement and attribution, particularly in the face of 3rd party cookie deprecation. Over the last decade, marketers have become obsessed with attribution, and they show no signs of slowing down. This is giving rise to a number of trends, such as reallocating budgets from other channels and prompting retail media networks to incorporate offsite and upper funnel inventory to meet the forthcoming demand.

However, there are problems on the horizon. ROI has not necessarily kept up with investment, and some of this enthusiasm might stem from a limited understanding of the current constraints and limitations of RMN analytics. For example, if you advertise with RMN A but purchase happens in retailer B, C, or D, it's largely untrackable, although we know that accounts for a large percentage of conversions.

Additionally, the proliferation of RMNs, lack of standardized metrics, and gaps in data availability will make retail media an exceedingly complex measurement environment for the foreseeable future.

The Conversion Funnel is Dead. Long Live the Funnel! At this point everyone acknowledges that there are as many paths to conversion as there are consumers, and yet the conversion funnel remains a useful model for understanding behavior. Measuring these multiple paths presents a measurement challenge, particularly in the increasing instances of walled gardens and omnichannel. In fact, according to Stackline 97% of customers remain unknown to their brands.

What's a brand to do? While tactics like reward programs that incentivize consumers for self-identifying can be beneficial, a significant portion may still choose to remain anonymous or unidentified. Modelled measurement solutions, or a combination of modelling and attribution, may present the best path forward in many cases. Utilize attribution when available and lean on econometric modelling when too many of the touchpoints cannot be linked to the individual. ▸🗎
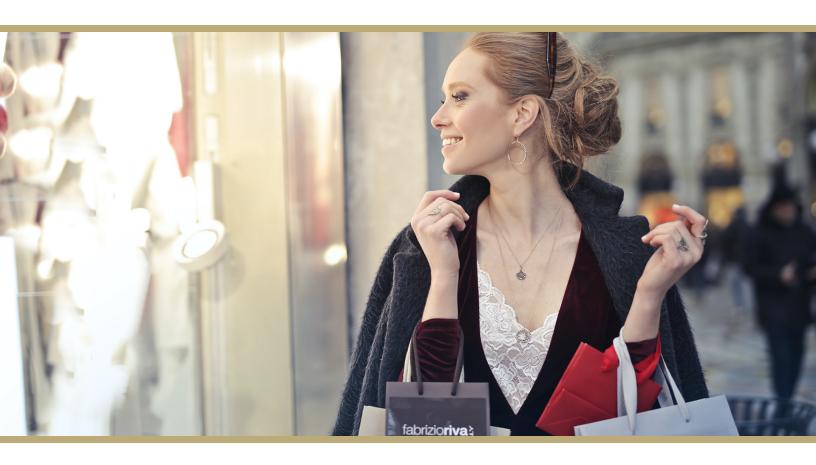
Measurement: A Leading Topic, but Is It Ready for the Spotlight?

KEY TAKEAWAYS - Continued

Managing the consumer lifecycle: According to data presented by Stackline, on average brands only retain 12% of their customers annually. Given the amount most brands spend to acquire customers, this is a shocking statistic. That said, the good news is there are ways to mitigate this loss. For example, texting or emailing directly after a purchase has shown to lead to a 38% increase in Average Order Value, while repurchase rewards led to a 3x increase in purchase likelihood.

All of this underscores the importance of keeping customers engaged and strategically testing the most effective tactics to increase retention. Brands must establish a robust analytics and testing program to evaluate hypotheses and implement strategies aimed at boosting customer retention. ◆

Unveiling Success Secrets:
Captivate Audiences, Foster Authentic Connections and Empower Consumers through Education

PUBLICIS COMMERCE

Susie McKeon
Senior Associate, Commerce Media Strategy
Publicis Commerce

Adweek Commerce Week 2023 provided a unique platform for industry leaders to share their insights, strategies, and visions. Glow Recipe and Love Wellness shed light on how brands can captivate audiences, foster authentic connections, and empower consumers through education. By cutting through the clutter, these brands successfully captivate the attention of consumers who yearn for authentic connections and values that resonate with their own.

In a world saturated with brands vying for consumer attention it is more important than ever to set a new standard for success in a crowded market and panelists discussed how transparency and disruptive campaigns have the potential to build powerful communities while also noting that championing vulnerability, education, and adaptability can provide the knowledge and transparency modern consumers crave. Ultimately, this informs actions every brand can take as they look to drive deeper, more authentic connections with their customers.

KEY TAKEAWAYS

Transparency, community, and authenticity: Open communication about products, ingredients, and brand values, can quickly establish trust and enable consumers to become active participants in the brand journey. By fostering a loyal customer community, engaging with social networks, and collaborating with influencers, brands can effectively amplify brand awareness and cultivate genuine, meaningful connections.

Education as a foundation: In a saturated marketplace the power of consumer education is more important than ever. Whether providing knowledge about product benefits, usage, or key differentiators, education is foundational to helping consumers understand the value of a brands and its offerings. By making education easily accessible, these brands can help consumers make informed decisions, thereby nurturing brand affinity and fostering long-lasting loyalty.

Challenging industry norms and fostering inclusivity: By challenging the status quo, promoting inclusivity and diversity, embracing innovative ideas and perspectives brands can inspire the industry to be more inclusive, setting new standards for representation and authenticity. These initiatives create buzz, capturing the attention of consumers seeking brands aligned with their values.

Flexibility and agility: In the fast-paced digital landscape nothing is more important than flexibility and agility. Brands must understand the need to pivot strategies while staying true to core brand values. By continuously adapting to market changes, consumer demands, and emerging trends, they remain relevant and build long-lasting relationships with their audiences.

By adopting a transparent approach, fostering authentic connections and communities, challenging industry norms, empowering through education and staying agile, brands can successfully differentiate themselves in crowded markets. Adweek Commerce Week 2023 showcased the transformative impact of these strategies, inspiring marketers to adopt similar approaches and unlock success across industries. ◆

PUBLICIS COMMERCE

THANK YOU

For more Commerce insights & reports join the Publicis Commerce community:

- Follow us on LinkedIn
- Follow us on Twitter
- Stay informed with Publicis Commerce Insights
- Contact us for Business or Press Inquires