



**PUBLICIS
COMMERCE**

ADWEEK

COMMERCE WEEK

Trends Report 2022

ADWEEK COMMERCE WEEK 2022

Embrace innovation and agility as we return to "normal" – that was the theme threaded throughout Adweek Commerce Week this year. Retailers are putting their lessons on agility and embracing innovation to good use. Strategies leveraging chat, voice, the metaverse and immersive shopping experiences on social are taking shape. Commerce Week featured marketers, creators, media and tech execs all focused on building the customer journey from end to end. Thought leaders across Publicis Commerce have rounded up insights from the event.

Table of Contents

- 01** **What's New and Next for Managing Customer Relationships**
by Allysun Lundy, VP, Retail Media Strategy, **Publicis Commerce**

- 03** **Engaging Consumers Online and IRL**
by Margaux Logan, SVP, Omnichannel and Emerging Marketplaces, **Publicis Commerce**

- 04** **Finding, Creating and Keeping Consumer Value**
by Ali Amarsy, SVP, Global Product Lead, **Publicis Commerce**

- 06** **Combating Inflation through Commerce**
by Emily Staples, Senior Associate, Commerce Strategist, **Publicis Commerce**

- 08** **The Importance of Integrated Planning Approaches**
by Olivia Chanyungco, Associate Director, Commerce, **Zentih**
& Rachel Gault, Associate Director, Commerce, **Zentih**
& Maria Golubeva, Director, Commerce, **Zentih**

What's New and Next for Managing Customer Relationships



Allysun Lundy
VP, Retail Media Strategy
Publicis Commerce

Adweek Commerce Week's Day One theme focused on what's new and next for managing customer relationships. Marketers, agencies and technology partners talked about how, in this constant world of instability, we must continue moving from transactional to transformational, using all the tools within our resources to deliver on customers' needs. A few key directives emerged:

KEY TAKEAWAYS

Activation Innovation via Partners and Formats: Throughout each session, the theme of innovation was front and center in relation to how we could innovate with media rather than product. With so many new partners popping up, there are more ways than ever to reach consumers. And while many platforms have performed well in the past, marketers referenced Leonard Sweet's famous quote "stagnation is death." So, the question is, how do we allow marketers to be innovative?

According to some, the key is:

1. Structuring a team and workload in a way that allows marketers enough headspace to be curious.
2. Creating an environment that encourages risk and potential failure. Different companies offered multiple approaches to putting activation or media innovation into practice:
 - The **80/20** rule: **80%** of budgets dedicated to tried-and-true tactics and/or partners and **20%** going to test and learn opportunities
 - The **50/30/20** rule: **50%** to proven methods, **30%** to calculated risks, **20%** to unproven experimentation (which may be likely to fail)

Regardless of the method employed, what's most important is the ability to quickly analyze the results, share them within an organization and across brands then determine if and how that innovation is activated in the future.

...continued next page

What's New and Next for Managing Customer Relationships



KEY TAKEAWAYS - CONTINUED

Data Into Insights: Data continued to be a huge topic throughout the day. As marketers have faced data overload in the past, they're now looking to ensure that data turns into actionable insights. Marketers highlighted a few ways that they're using data more innovatively.

- **Data for loss prevention:** Understanding what items need to be under lock and key, where they should be positioned in the store and which high risk geographies may require more security.
- **Data for total box optimization:** Some retailers have been optimizing their offerings by geography for a long time, but they can get more precise than ever before, really delivering on consumer needs.
- **Data for innovation:** This applies to product as well as tactical innovation mentioned above.
- **Data to win over competition:** Marketers should be using data to go beyond conquering to optimize their media spend. Determine which competitive products have negative reviews or consistent out of stocks and target those shoppers.
- **Data to drive creativity:** DCO has been a topic of conversation for years, but with creative constraints it's not always been put to use effectively. There are more ways than ever to use UGC combined with data to serve customers the right content that will inspire action.

Together, using data-driven insights in a multitude of ways transforms how we deliver truly curated experiences for customers that build relationships, loyalty and sales over a lifetime.

Engaging Consumers Online and IRL



Margaux Logan
SVP, Omnichannel and Emerging Marketplaces
Publicis Commerce

The theme of Day Two for Commerce Week was all about how to engage consumers online and IRL. Speakers focused on the hybridization of the two, particularly on how the online experience is becoming more creative and personable while brick and mortar continues to evolve. The balancing act between both sides of commerce, the evolution of the relationship and consumer expectations were all key parts of the discussion.

Throughout the day, three main trends emerged:

KEY TAKEAWAYS

Relationship Building with Consumers: Consumers who shop online aren't necessarily expecting anything more than a transactional experience. Owning your audience, understanding their loyalty drivers and, most importantly, taking action on those drivers is key to relationship building. Creating and investing in technology that assists with this and shows how you understand your shopper is the next expenditure of resources many leaders expect and want to make.

Connected Commerce – Creating Consumer Touchpoints: Understanding the relevant ways a consumer may interact with your brand or platform is another avenue for innovation and building engagement. Shoppable content, experiential content (including in-store experience) and even payments are examples of where and how marketers can drive engagement. Curated, controlled experiences that allow a consumer to feel in control are all places to consider evolving as you drive the relationship. The more you develop these spaces, the more opportunity for both return and further engagement.

Inspiring Consumers: Finally, inspiration and how it cements the relationship with the consumer and drives return was peppered throughout the conversations. It should come as no surprise that data-driven marketing is the core of eCommerce, but where it starts to get interesting is taking that data and creating a space that consumers can't resist – and don't want to. Curated aisles online, targeted messaging, and offers are table stakes. The next phase will be to ensure that stores offer products curated for the local demographic with easy in-store pick-up. Additionally, having products ready for immediate shipping or delivery from a distribution center nearby is key.

Finding, Creating and Keeping Consumer Value



Ali Amarsy
SVP, Global Product Lead
Publicis Commerce

Value. This is the hot topic of the season – at conference main stages, in one-on-one conversations and even across phone screens. The news of the Federal Reserve's actions to combat inflation reminded us all of the challenging months ahead.

Post Prime Day, heading into the back half of the year, now is the time to reflect and discuss the ways in which we can create and enhance value for consumers. As we move into a harsher economic reality, brands will need to tackle greater scrutiny from shoppers when it comes to making purchase decisions, even on major shopping occasions like Back to School and Holiday.

The conversation around value comes in three forms: the marketer's mission – value creation; the consumer's angle – the search for value; and our job as market makers – value exchange.

KEY TAKEAWAYS

Brands' Quest for Value Creation: Creating value is key to staying within consumers' consideration sets for the remainder of the year – making sure not to be perceived as just a transactional brand, knowing that people will be faced with more difficult consumption decisions soon. Both manufacturers and marketplaces need to think about the consumer as one person, whether online or offline, in order to offer an omnichannel experience. Through this mindset, the friction of re-identification and preference setting is taken out of the 'costs' associated with a commerce experience. Marketers today can focus on snackable, smaller opportunities to provide value—be it through relevant promotion or reduction of friction through added services or convenience. Making the smaller things simpler will be the name of the game. Commerce leads face an uphill battle in Q3 and Q4 as economic circumstances tighten and the year comes to a close, all the while being compared side-by-side with an explosive 2021. The winning formula will be to pick the right tactics to create value for consumers through smaller, snackable and more frequent actions, powered by a strong brand and reframed KPI to support long-term consumer relationships and profitability.

...continued next page

Finding, Creating and Keeping Consumer Value



KEY TAKEAWAYS - CONTINUED

Consumer Search for Value: Consumers are looking for value now more than ever, and retailers are ramping up their efforts by promoting their own store brands in order to meet these value-driven consumer expectations. This also means competing with all the efforts of big-name brands to capture sales. The advantage major manufacturers have here is the names they've built. Brands must flex their credibility and functional benefits to drive clear differentiation. This is a time to talk up unique R&D by investing in full-funnel brand efforts to ensure the traffic you generate leads to a sale of your brand rather than the off-brand version of your product.

A great starting point here is to connect deeply with communities. Thanks to great advances in social commerce tech stacks, the shift from demographic to attitudinal groups is accelerated as we can tap into existing conversations and even hand off a portion of marketing to trusted creators who are able to bring a compelling proposition to their own micro markets. Each consumer can then receive a message through a credible and aspirational source, increasing perceived value.

Finding True Value Exchange: Once brands re-work their omnichannel experiences to have less friction and include more snackable moments that generate value, and consumers are shown more value through brand-specific benefits and creator narratives, the goal is to broker the right exchanges. Connecting brands with consumers efficiently is where commerce platforms like Profitero can do all the heavy lifting. Through this technology, we can help brands reach the right groups, pinpoint which marketplaces to invest in and help determine which levers to pull in order to climb in seller rank.

The broad theme here is to turn marketing dollars spent into data. Either we are creating shopping occasions where we build relationships and learning preferences, or we are driving purchase which generates a data set of its own. The end goal is to build loyal, trusted relationships which involves redefining what value means within an organization. Owning the consumer, crafting for omnichannel experience and thinking long term is the key to moving forward successfully. The aim should be to experiment within the marketplace and measure each activity on value created and exchanged, with consistent assessment and adaptation.

Combating Inflation through Commerce



Emily Staples

Senior Associate, Commerce Strategist

Publicis Commerce

From rumblings of tech layoffs, hiring freezes, stock prices dropping, and interest rates soaring - signs of economic woes are beginning to spook consumers. With this at the top of shoppers' minds, marketers need to start planning for new consumer behavior. Presenters across Commerce Week panels all touched upon tactics brands can pivot to during difficult economic times. Here are the key areas you should be focusing your marketing dollars on today to prepare for tomorrow.

KEY TAKEAWAYS

Gen Z Shoppers: [Research has found that Gen Z is the least affected by inflation](#). They continue to splurge in key areas and show no sign of slowing interests. When it does come to saving money, 65% of Gen Z say they will shop online to save. This behavior furthers marketers' needs to obtain and satisfy Gen Z consumers for hard economic times.

To capture Gen Z's affection, turn your spend away from search and into social commerce tactics. Google's SVP of Search found that younger generations are more often using TikTok or Instagram for recommendations rather than Google. Undecided consumers love the immersive experience social commerce can provide through real time commenting and videos. These strategies can help foster an environment to build a cohort of brand affectionate consumers.

Community Commerce: When wallets are tight, it's better to have a few loyal customers than a large base that you can't rely on for repeat purchases. That's where community-based commerce comes into play. Brands need to be building and growing their loyal fan base now in order to prepare for the coming financial year.

Hyper-focused social commerce campaigns are the best way to build a loyal fan base. Now is the time brands should be spending more on innovative shoppable media, social commerce initiatives, and shoppable livestreaming. These commerce methods foster a more intimate shopping experience for consumers. This is where you can convert an ad hoc purchaser into a brand enthusiast.

...continued next page

Combating Inflation through Commerce



KEY TAKEAWAYS - CONTINUED

Added Value for Higher Prices: Instead of viewing price as a barrier to consumer conversion, think of your product's value. Added value can be a key conversion tactic once you have already captured consumers in your funnel. Brands can get away with higher pricing if they are providing shoppers with more value. If brands focus their efforts and KPIs on adding value to customers' lives, their products become priceless.

This could be achieved through various tactics such as new product bundles, faster shipping times, improved product packaging, additional loyalty programming, more detailed product description pages, or promoting mission-driven messaging. Start testing and learning various added value tactics to see what your consumers respond to best. Additionally, look at changing KPIs to be driven more by how your commerce journey makes your consumer feel.

Difficult economic and marketplace challenges don't have to take away from your commerce marketing. If you begin planning today and anticipate consumer behavior for the future, your online sales can continue growing with the right audience. Focusing on testing innovative marketing today, could be your saving grace in the impending market.

The Importance of Integrated Planning Approaches



Olivia Chanyungco
Associate Director,
Commerce
Zenith



Rachel Gault
Associate Director,
Commerce
Zenith



Maria Golubeva
Director,
Commerce
Zenith

THE STATE OF SHOPPING

Various sessions at Commerce Week discussed a shift in consumer behavior after two years of isolated shopping and the importance of “omni.” An increasing number of consumers have latched onto hybrid shopping for its convenience factor, allowing consumers to shop anywhere, anytime, and by whatever means they choose. Based on insights shared during the “Data-Informed Brand and Consumer Interrelationships” session, 27% of all shoppers are now hybrid shopping, and we see this percentage increasing particularly among Gen Z shoppers at nearly 40%. Within the grocery space, the number of hybrid shoppers has doubled versus the pre-pandemic era, showing this trend in shopping is here to stay.

As shopping habits evolve, it’s table stakes for brands to execute omnichannel strategies and deliver a holistic and seamless experience across all digital and in-store touchpoints. Personalization is key to driving customer retention and reaching and acquiring new buyers as well. However, omni is not only impacting how brands rethink their planning approach, it’s also eliminating silos within organizations and shifting team structures that deliver on holistic, full-funnel activations.

THE IMPORTANCE OF THE FULL-FUNNEL APPROACH

The integrated marketing planning approach was covered across Commerce Week panels. As the effectiveness of performance tactics are more linear to measure, a low-funnel part tends to be exaggerated in marketing plans. Many speakers shared their own experiences that a balanced full-funnel approach is a key to sustainable sales growth for brands.

Identifying the right metrics: Defining the right metrics and an attribution window is a basis for an integrated marketing approach, and overarching business and media objectives. While such KPIs as Return on Ad Spend, Cost per Lead, and Cost per Mile are helpful from a short-term perspective, focusing on Customer Lifetime Value (LTV) measurement allows brands to properly attribute full-funnel media investments. Maximizing the increase in LTV for each ad touch and transaction was mentioned as the strategic goal for the media planning process by several speakers. Predictive and attribution modeling is a space where brands are currently focused.

...continued next page

The Importance of Integrated Planning Approaches



THE IMPORTANCE OF THE FULL-FUNNEL APPROACH - CONTINUED

Having the right balance between brand building and performance: The customer journey is not linear. Now channels are more fluid than ever—retail media capabilities are extending with brand-building options, and traditional upper funnel channels are adding performance and commerce offerings, and it requires advertisers to combine data and expertise to find more relevant customer touchpoints that translate into more sales. Moving more effort to the upper funnel allows brands to bring the right product stories with the right culture at the right moment. Patience is the key factor for building long-term customer relationships.

Unifying the teams: While organizational silos still exist in many companies, integrated marketing planning is helping to bring all teams together and treat brand and performance as one. And this unifying approach goes beyond the brand and includes all partners such as agencies, retailers, influencers, and others.

Considering a possible recession, relationships with customers matter more than ever. That is why it is important to reveal the power of a brand and integrated marketing planning, use the right attribution model for media investment measurement, and unify teams to act as one.

RAISING THE ROOF ON RETAIL MEDIA

Retail media was one of the hot topics at Commerce Week. This was no surprise as retail media represents the third big wave of digital advertising—a highly dynamic and fast-growing ad segment based on retailer data.

Full-funnel capabilities: While retail media was beginning with performance tactics, now it includes full-funnel, on-site and off-site capabilities. As retailers own zero- and first-party data for consumers, they offer advanced segmentation and insight-driven audiences. To develop connected commerce marketing, retail media should move from walled gardens to community gardens. It will help to integrate retail media with other digital channels and give brands a strong data foundation across channels, including the ability to set up the cross-channel frequency.

Unlocking growth opportunities: Retailer media networks continue to expand into new products and more locations. The market is highly fragmented, and the key issue for brands is choosing the biggest partners that can streamline the process of integrated media, data, and measurement solutions. To unlock growth opportunities, retailers need to address advertisers' biggest challenges with measurement. While retailers are constantly developing retail media capabilities, they should help brands to educate internal teams because there is a huge area to grow expertise.

Conversations between retailers and brands: Transparency is central to a successful conversation between retailers and brands. A broader team should participate in JBP to get contributions and commitment from all key stakeholders, and it's expected that all participants come prepared, having internal meetings before the JBP meeting. In this currently very complex environment, goals can be achieved only by working as one team. Both parts of the team—brands and retailers—should bring resources to figure out how to unlock insights and create value for consumers. To have an open and productive discussion, all metrics need to be aligned and defined in the same way. Attributed ROI is an example of a metric where it is important to clearly understand what is being included and how it was calculated. As such, having a common language helps to create a robust plan and realize it.



**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