

The background is a dark space filled with a dense field of 3D cubes of various sizes, creating a cityscape-like effect. Several bright, glowing lines in shades of blue and purple sweep across the scene, adding a sense of motion and futuristic energy.

+ WUNDERMAN
THOMPSON

COMMERCE FUTURES 2021

INTRO

Last year, when we wrote our Futures 2020 report, little did we know how much the world would change in 2020.

However, when it came to commerce, it felt less like a behavioral shift, and more like an acceleration of what was already in motion – more inspiration, searching and transacting online; online sellers providing vital services to consumers; and consumers becoming ever-more reliant on, and demanding of, online retailers, brands and marketplaces.

One thing is certain – never has it been more important for brands and retailers to get their online offerings right. Those who had bitten the bullet early and invested in their infrastructure found themselves in a perfect position to take advantage of the move online during the pandemic outbreak and lockdowns. The rest were left scrambling around, hurriedly assembling their online offerings, and in some cases, seeing their revenue streams evaporate completely. Businesses who believed that digital and online were something for the future, suddenly found that the platform upon which they were standing was not simply burning, but had already turned to ash.

It is therefore more important than ever that we think further ahead about what commerce will look like in the future, and to consider what the next generation of consumers will expect and demand – and how they'll signal this. It's crucial too that businesses invest in their ability to offer range, ease, speed and convenience to their consumers. That's why we suggest it's more vital than ever that you scan this future through our Futures 2021 trends guide.

Last year, I wished everyone a happy new decade. It may not have started how we would have predicted, but the twenties is likely to see some of the biggest changes in retail that we have ever experienced – necessity is, after all, the mother of invention.

Happy 2021!

Hugh Fletcher

Global Marketing Director and Thought Leadership Lead



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01

LIVESTREAM COMMERCE – FROM THE STORE TO THE STUDIO

Livestream commerce will change the role of the store, forcing brands and retailers to reinvent physical stores as places to buy from physically, as well as places to stream and sell from to online consumers.

For many trends, it can be helpful to look East to China to see how its online commerce is developing, in order to understand what will happen in the West. And one area of explosive growth is livestream commerce.

This market is already estimated to be worth \$60bn annually and it is believed that almost 30% of China's population has so far bought via this channel. Our own data indicates that Chinese consumers already purchase on average 11.4 times via social platforms a month!*

Following in the footsteps of Alibaba's Taobao Live, Amazon also has its Amazon Live platform. And these offerings are particularly well placed to take advantage of COVID affected retailing, with 26% of consumers saying that they missed being in control of the item they took home, and 9% missing the input of a sales advisor**.

SO WHAT?

- How are you utilizing your physical locations?
- You may want to also train staff in how to deliver a fantastic experience over a video call.
- If habits have changed for good then a large cohort of customers will not be going back to in-person shopping. How can you deliver a close-to physical experience for these customers?

The premise is clear: harness the power of influencers and sales advisors on the platforms that consumers use for inspiration and purchase, and the transactions will increase.

Expect to have video calls with staff who are in-store or in-studio while you relax at home with a glass of wine and your dressing gown on.

And as we'll see later with the concept of "compressed commerce", anywhere where the gap between inspiration and purchase is reduced is good news for retailers and brands.

But it is not just video – expect AR (which recently graduated out of the Gartner Hype Cycle) and VR to have an even bigger role in the digital stores of the future.

NEXT STEP?

- Connect with our [Craft Lead Commerce, Tjerk de Vreeze](#)
- View our [Shopper Marketing services](#)

*Source: Future Shopper 2020, April 2020

**Source: COVID, Commerce and the Consumer, July 2020

02

COMPRESSED COMMERCE

The key to conversion online is shrinking the time between inspiration, search and transaction...

"Compressing commerce", as we term it, is something that Amazon has down to a tee. Originally viewed as just a transactional site, the stats for Amazon now tell a completely different story – with 52% of global consumers going to its platform for inspiration, 63% visiting to search for products, and 27% purchasing there*.

And we've all been there – on Amazon considering a purchase, and before we know it, we've bought. It's just so simple and seamless to buy. Yet behind the simplicity, a variety of tools have been deployed to transition consumers through the journey, fast – including one touch purchasing, stored payment methods and personal details, easily retrievable ratings and reviews, and more besides.

In D2C (direct-to-consumer), the story is slightly different. Just 18% of consumers use D2C sites for inspiration, 33%

search there, and 15% transact. Inspiring consumers should therefore be a prime focus, as well as retaining them once they've searched.

The emergence of social commerce will see this trend continue. Inspired social media users currently are forced off the social platform onto retailer or D2C sites to transact. It's not exactly a seamless process today. But in the near future, once the platforms nail "in-platform purchasing", these social media users will be able to transact in an instant – "compressed commerce" at its finest!

Compressing commerce, from inspiration through to search to transaction will therefore mark out how the best eCommerce operators ensure conversion.

SO WHAT?

- Review your online commerce experience from inspiration, to search to transaction.
- Review how quickly and easily consumers can pass through this journey.
- Remove friction points to enable consumers to transact as quickly as possible.

NEXT STEP?

- Connect with our Craft Lead CX/UX, [Marco Flapper](#)
- View our [Digital Strategy](#) and [Customer Experience services](#)
- Read our report on consumer shopping preferences "[The Future Shopper](#)"



*Source: Future Shopper 2020, April 2020

03

SPENDING FROM BEYOND THE GRAVE

Is death really a barrier to consumption? AI, data and finance could hold the key to being able to purchase well beyond our demise... and usher in the era of “post-death consumerism”.

Have you ever done an online psychometric test? It's surprising – frightening even – how well a very simple online questionnaire can work you out. And with a proliferation of personal data taken from years of online activity, your consumption blueprint is easy to replicate by a much more advanced artificial intelligence.

So the question is... do you have to be alive to be a consumer? Put it another way, could a computer work out how and what you would consume and purchase, and do it on your behalf... even if you're no longer with us?

The answer is, for sure it could. While the moral, ethical and human questions may stall us from considering this today, the reality is that an AI-driven avatar linked to a savings account could very reliably replicate purchasing behavior long after death.

Enter the ability to spend from beyond the grave. Want to buy a thoughtful gift for your child when they reach 70 and you're long gone? Of course you do – and can. Worried you won't be at your grandchildren's graduation to give them a congratulatory gift? Sorted.

While this may sound macabre, far-fetched and pointless to some, we're already seeing the use of avatars to bring back loved ones from beyond the grave. 2020 saw Kanye West bring back his wife's father for her 40th birthday.

Welcome to the frightening world of “post-death consumerism”.

SO WHAT?

- Be aware that your customer list in the future may very well include those that are deceased.
- Start to formulate how you could market to an avatar based on historical purchasing data.
- More vitally, if you're not already mining consumer data for predictive demand in the here and now, start to!

NEXT STEP?

- Connect with our Director of Strategy & Consulting, [Mark Aarts](#)
- View our [Data](#) and [Digital Strategy services](#)



04

SERVICE-LED BRANDS

Brand equity is no longer enough. Brands' foundations must be built on service. Only those organizations fusing together great brands with great service will win.

As far back as 2018, we detected a new trend... consumers buying online were starting to tell us that service was more important than the brand being ordered. To put it another way, if faced with the choice between getting their favorite brand, or another brand which they could get more easily, conveniently and faster, they would choose the other brand.

That's not to say that brand equity is not important. With 24% of consumers saying the brand was very important in their online purchasing decisions*, and just 3% claiming it was not, brand is still a factor in decision-making*. However, 38% of consumers told us that it was more important to get the product on time than it was to get the brand that they preferred*.

When we probed digital commerce leaders on what they believed would be most important to future generations of consumers, the number one thing they said was fast delivery – ahead of price and brand**.

SO WHAT?

- Be clear about what services your customers expect, or are getting elsewhere.
- Build your brand around the services it offers, not just the equity it has.
- Be there for your customers when they need you... not just when they need to buy from you.

So while brand still has currency, consumers won't buy from a brand who can't back it up with service. And who's the best at service? You guessed it – Amazon. In fact 75% of consumers said that they wished that all retailers offered the same level of service as Amazon***.

The value of service can be seen when looking at data from the initial COVID lockdowns of 2020. Based on its performance, consumer perception of Amazon jumped 25%, and intention to purchase went up by 20%*. The message was clear... by offering an uninterrupted service when consumers needed it most, Amazon's service-led offering enabled it to stretch its lead over its competitors.

So, the lesson to brands is also clear; back up your claims and your brand equity with service, or risk the future of your brand.

NEXT STEP?

- Connect with our Craft Lead PIM/PXM, [Dennis Peek](#)
- View our [Customer Experience services](#)
- Read our guide [“Brands in eCommerce”](#)

*Source: COVID, Commerce and the Consumer, July 2020

**Source: Ready or Not, December 2019

***Source: Future Shopper 2020, April 2020



05

VALUE-DRIVEN LOYALTY

Love of a brand, product or service is no longer enough to generate loyalty – consumers are being trained to expect value from their loyalty... but the good news is that they're prepared to pay for it.

Amazon Prime is often hailed as one of the best CRM programs around – it encourages consumers to think more positively about Amazon, and more importantly, it incentivizes Prime members to spend more money, buy from more categories, and think less about price. And all of this whilst charging for the pleasure.

An overwhelming 65% of consumers said that they felt that Amazon Prime was good value for money*, while a whopping 74% in the UK claimed they would renew their subscription the next time it was due**.

The only other loyalty schemes that come close are those provided by the grocers and the supermarkets.

Why are these so successful? In the case of Prime, it's access, exclusivity, and improved service, while for the grocers, the value is driven by discounting and personalized offers.

To put it frankly – consumers perceive that they are getting value from their loyalty. Now try to think of other loyalty schemes that offer consumers value. Not easy, right? How many of us have collected airline miles through loyalty programs without ever finding a flight that we could actually book through them? Or realized that our Nectar points could just about get us a jar of honey or two?

It's time for businesses and brands to get real and reward loyalty with more value. As we said before, brand alone is no longer enough. Consumers want service. And from their loyalty schemes, they want value.

SO WHAT?

- Re-examine your loyalty scheme and its rewards, and consider what value your customers gain by being part of it.
- If you had the opportunity to replan it from the ground up, what would it look like?
- From a customer-first perspective, what aspects can be monetized? Monetize them.

NEXT STEP?

- Connect with our Customer Experience Consultant, [Kathryn Helen Rutherford](#)
- View our [Amazon/Marketplaces](#) and [Customer Experience services](#)
- Read our report on consumer shopping preferences [“The Future Shopper”](#)

*Source: Future Shopper 2020, April 2020

**Source: Welcome to the Mega Peak, November 2020



06

PRODUCT AND SERVICE DIGITIZATION

With 28% of all products bought online being digital*, it's time to work out whether your offering needs to be digitized to keep it relevant.

In 2020, a significant 28% of products and services bought online were digital. Meanwhile in China, the percentage was an even higher 36%.

And this is set to rise and rise... with 34% of consumers saying they would prefer their purchases to be digital and instantly downloadable. The figure in China was a staggering 70%.*

And when it comes to the future generation of consumers, our data indicates that 1 in 5 would never buy from a retailer that couldn't deliver the next day, while 3 in 5 said the one thing that they would change about buying online would be that all items would be delivered within 2 hours!**

These expectations around timescales are extremely challenging, until you consider that what is ordered could be digital. Sure, if I was buying an item of clothing online, I would be surprised if it arrived in a 2 hour window. But if I was downloading a film, a 2 hour timescale would be genuinely slow.

SO WHAT?

- Review your product portfolio – can any of your physical products be digitized?
- Review the operations and services that support your product offering – can any of these be digitized?

So what's the answer? Well, businesses need to assess whether their products need to be physical, or can they be digital? And if digitization is not an option, then what services that support the purchase can be digitized? Take buying a car – the car itself will never be digital, but the purchasing and financing experience can be.

Encouragingly, our data from 2019 indicated that 68% of digital commerce leaders had considered digitizing some of their products and services to help address the challenges of fast-delivery expectations*.

So what's stopping you? If you want to keep up with more of your customers, digitize what and where you can.

NEXT STEP?

- Connect with our Commercial Director, [Nils Kijkuit](#)
- View our [Digital Strategy services](#)
- Read our report on consumer shopping preferences [“The Future Shopper”](#)

*Source: Future Shopper 2020, April 2020

**Source: Generation Alpha, September 2019

07

THE D2C FIGHTBACK HAS STARTED

With 35% of all online sales going through Amazon, why should businesses bother with a direct-to-consumer (D2C) offering?

For many years, Wunderman Thompson Commerce has been extolling the virtues of a “balanced channel strategy” – one that asks businesses to consider their eCommerce operations across 4 key channels – marketplaces, retailers, D2C and social commerce.

Why? For the ability to directly offer consumers the products they want; having a direct relationship with consumers; facilitating more control over the experience; fostering the capability to harvest data on consumers and build future product, comms and sales strategies...

However, when faced with a lack of a burning platform, whilst most businesses grasp the logic for a D2C offering, many typically resist the need to make such a strategic call.

And then 2020 came along.

As consumers scrambled to shop online, many grocers and retailers limited their online delivery slots and prioritized the vulnerable. Buying some of those loved staples online suddenly became a challenge.

Enter the likes of Heinz to Home, and PepsiCo's Snacks.com which offered consumers, who didn't want to go in-store but couldn't get delivery, the ability to still buy and receive their products.

Fueled by a burning platform, and the realization that spinning up eCommerce offerings was not as time-consuming or costly as expected, suddenly we saw a D2C fightback against the grocers and the marketplaces spring into action.

Because while the world of retail has certainly seen better times, there has never been a more opportune time to get into D2C.

SO WHAT?

- Investigate the various ways to quickly build a D2C eCommerce offering.
- Think about the advantages of going direct to your consumers... bundling, special products, personalization, data...
- Make D2C a vital part of your “balanced channel strategy”.

NEXT STEP?

- Connect with our Craft Lead PIM/PXM, [Nils Kijkuit](#)
- View our [Digital Strategy services](#)
- Read our guides [“Consider DTC a key part of your eCommerce Strategy”](#) and [“How the big CPG companies are approaching DTC”](#)



08

BIG TICKET COMMERCE

Our comfort with purchasing online, as well as the barriers lowered by COVID-19, mean that online purchasing is no longer just for small ticket items... but for “big ticket commerce” too.

How much would you be happy spending online? How much would you be comfortable spending without actually seeing or feeling a product?

Despite our familiarity with technology, going into 2020, 94% of furniture was still bought in-store, as were >99% of automobiles*.

Sure, there are some things that you want to try before you buy... but at what cost? When does range, ease, speed and convenience trump physical?

As well as inspiring new levels of comfort with technology, COVID-19 has allayed concerns with online shopping, duly forcing sceptics and laggards to engage.

2020 saw people increasingly buying sofas, cars, boats, and RVs, even homes, online with some regularity. For now, the numbers will continue to be small, but we will see exponential growth in the next few years fueled by improved content as well as innovations in delivery and returns.

These advances will be supported by technologies such as AR and VR to compensate for elements lost without the physical experience. They're already used to powerful effect in the online experience of furniture sales – just ask DFS.

Of course, this will challenge many businesses who previously felt insulated from the disruption of online commerce. Today, every business really is an eCommerce business.

SO WHAT?

- It's time for 'big ticket' sellers to get their online experience right.
- Deploy the latest tech to facilitate the move. Consider how VR, AR and AI can support you.
- Don't dismiss the fact that everything will be bought online in the future – your business needs to be an eCommerce business.

NEXT STEP?

- Connect with our Chief Technology Officer, [Sandeep Mahajan](#)
- View our [Digital Strategy services](#)
- Read our report [“COVID, Commerce and the Consumer”](#)

*Source: Forbes.com and Statista.com



BODY AS PAYMENT – THE MONEY MAKER AS THE MONEY TAKER

With 32% of online shoppers excited about cashless shopping*, amidst the impact of a global pandemic on hygiene standards, new contactless methods of payments will revolutionize how physical payments are taken.

Even before the outbreak of COVID-19, quicker, less intrusive, and frankly easier ways of paying were taking off – contactless payment, payment by phone, and technology like Amazon Go. In fact, in August 2020, in the UK, contactless made up 62% of all debit card transactions**.

With the increase in usage of contactless payment, companies are constantly look to make paying for items as quick and simple as possible.

The next iteration of this technology will be to remove the card or device entirely and allow for your body to be your method of identification and payment. Amazon One, which is already being tested in the US, and Alipay's Smile to Pay are just two examples of how biometrics are being used to remove friction from the purchase journey.

In addition to these new technologies being used for payment, Amazon is planning to use customer biometric data as a way to remove access cards for getting into buildings. As well as a form of ID, it will allow customers to both pay and show their ID all at once without having to have any form of ID on their person.

Not only will this make payment interactions easier, but in a post-COVID world, it's likely that it will also address some of the lingering anxieties about germ spread and communal touching – a win, win!

Now is the time to review how your consumers pay across your omni-channel offering. Can you integrate innovative payment methods – and make the money maker the money taker?

SO WHAT?

- Define your long-term payment strategy.
- Are there innovative payment methods that you can start to test?
- Understand changing consumer demands around payment (and hygiene) to work out a stress-free, frictionless payment experience.

NEXT STEP?

- Connect with our Commercial Director, [Nils Kijkuit](#).
- View our [Customer Experience services](#)

*Source: Future Shopper 2020, April 2020

**Source: UKFinance.org

10

THE COVID HYGIENE HANGOVER AND ITS EFFECT ON CX

The behaviors that will be instilled in us even after the pandemic has subsided will lead to a complete shift in how we design our retail spaces, including what technology we use.

Over the last couple of years, companies have been investing heavily in bringing technology to their stores. One of those technologies was large touchscreens that gave customers a tactile way to interact with a brand's content and products. However with the pandemic still raging, are we going to shy away more from these kinds of technologies in public settings?

Enter gesture technology, one of several technologies that might have a resurgence thanks to the ability to interact with a computer without having to touch it.

I know what you're thinking; but what about voice? Have you tried to use your voice assistant in noisy environments with music in the background? No? Well, there is a reason for that; gestures on the other hand can be used by customers without any of those environmental distractions.

It's not just technology that will need to change – the physical store will need to be designed to better deal with the COVID-19 hangover. Expect to see more automatic doors and a greater focus on reducing the contact time customers have with the physical environment. All this adds to the complexity of designing and building a physical space that customers would want to be in.

SO WHAT?

- A lot of the hygiene factors that have been put in place by companies may have to be made permanent.
- When designing customer experiences in-store, consider how to reduce physical touch and contact time.

NEXT STEP?

- Connect with our Craft Lead CX/UX, [Marco Flapper](#)
- View our [Customer Experience services](#)
- Read our report ["COVID, Commerce and the Consumer"](#)

11

CURBSIDE PLUS

Innovations led by physical stores in the face of COVID-19 concerns will last well beyond the end of the pandemic, and will usher in an era of quasi-physical retailing.

Curbside pick-up is not a new concept, but in 2020 it has been huge as consumers became more frightened about in-store shopping, whilst also facing the challenges of delivery and slot availability.

Our prediction is that demand for curbside pick-up may subside slightly as normalcy returns, but particularly in the US, it has proven to be too convenient to go away altogether.

As brands have lost the in-store/BOPIS 'halo effect' of incidental/impulse purchases, innovation in curbside pick-up is the next step. Businesses need to ask themselves what they can do to cross- and up-sell to consumers who may no longer set foot in their store, and want their pick-ups to be quick and easy.

Solutions might include instant cross-sells with targeted one-off discounts to elicit quick purchase decisions, for instance 20% off a soundbar for that flat-screen TV or headphones for that laptop you just bought.

Or what about curbside carts with impulse items such as a rack of freshly baked pies when collecting the groceries? These purchases could be instantly added to orders via app/ email/QR code, enabling consumers to quickly pay and drive off.

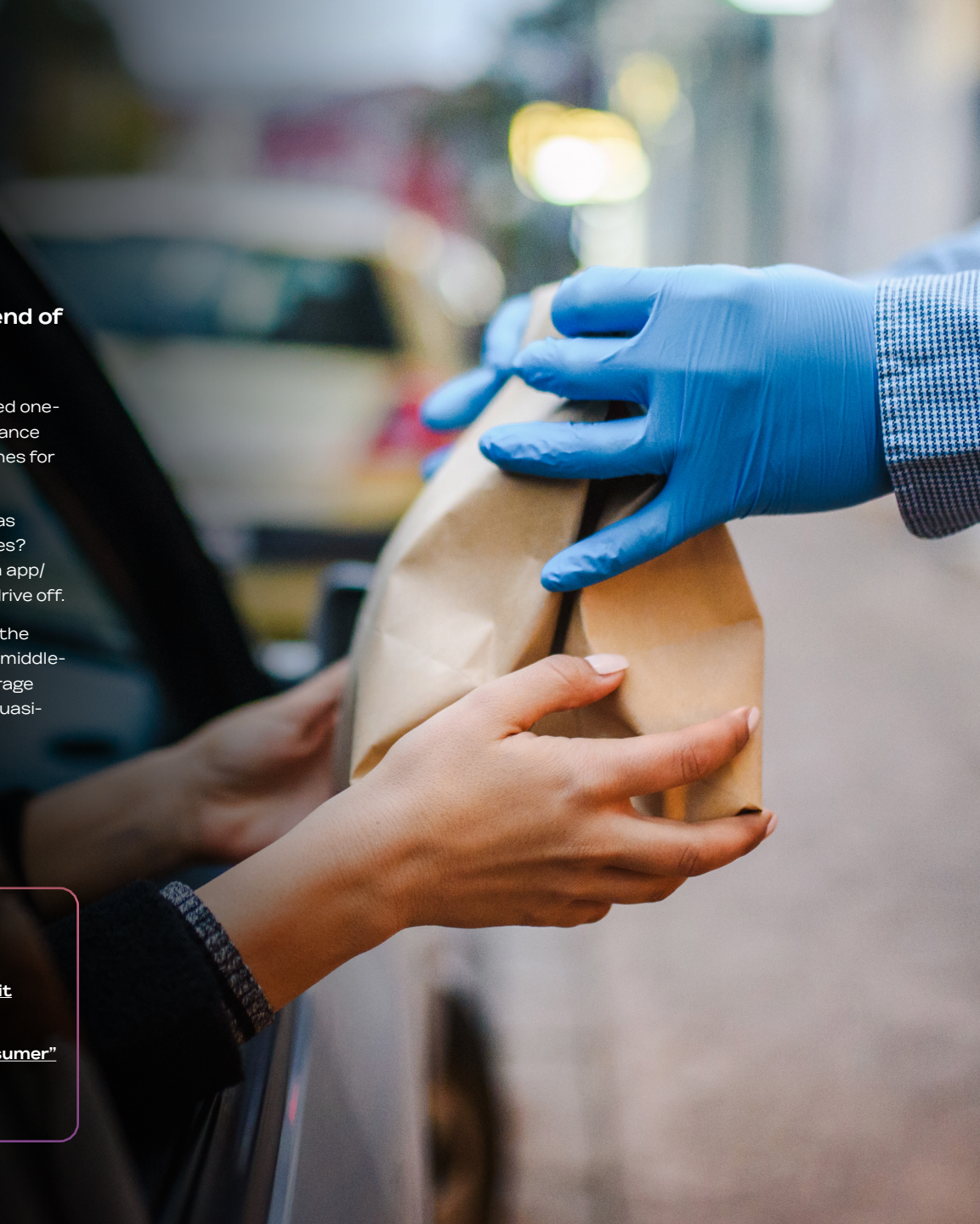
All of this means that we will see more overlap between the physical and digital worlds, and more innovations in the middle-ground between online and in-store. This too will encourage the online pure-plays to continue their expansion into quasi-physical retailing.

SO WHAT?

- Be aware of how physical in-store shopping will change.
- Identify how omni-channel sales can be linked together to give the ability to consumers to quickly transition between online and offline.
- Keep an eye on how the pure-plays will use quasi-physical retailing to enlarge their influence.

NEXT STEP?

- Connect with our Commercial Director, [Nils Kijkuit](#)
- View our [Shopper Marketing services](#)
- Read our report ["COVID, Commerce and the Consumer"](#)



12

THE POST-COVID GRATIFICATION WAVE

Many surveys – including our very own – shone a light on the brands, retailers and categories that forged ahead during the pandemic. Now it's time to consider the winners in a post-pandemic world.

One of the interesting developments in online purchasing due to lockdowns was the rise in the rankings of previously less prominent categories. For instance, board games and puzzles became top sellers, while the likes of outside heaters and gym equipment flipped the narrative as we realized that our socializing would have to be happen outside, with much of our exercise indoors!

Clearly, as life changes, so too does what we buy online.

As we dare to look further forward into 2021 and beyond, the question we start to ask ourselves is what will be the biggest sellers once COVID-19 is defeated? At the end of the First World War, and with the passing of Spanish Flu in the last century, the roaring twenties were ushered in, triggering a decade of economic growth and widespread prosperity, with a boom in construction, and consumer goods such as automobiles and electric.

Will we experience the same?

The likelihood is that we will. While 2020 and 2021 will have seen those providing lockdown essentials thrive, in a post-COVID world, we can expect a heightened passion for indulgence, with more decadent purchases rising to prominence – think fashion, jewelry, luxury experiences and holidays.

Is your business set for the “post-COVID gratification wave”?

SO WHAT?

- With vaccines already being administered nationwide, what's your post-COVID plan?
- How will you reward your customers who stayed loyal during these challenging times?
- If you successfully pivoted your business when COVID hit, what will it stand for in a post-COVID world?

NEXT STEP?

- Connect with our Customer Experience Consultant, [Kathryn Helen Rutherford](#)
- View our [Digital Strategy](#) and [Commerce Operations](#) services
- Read our report “[COVID, Commerce and the Consumer](#)”.



13

THE RISE OF THE MEGA-PEAK

Unprecedented times call for unprecedented actions... and so in Q4 of 2020, we saw the advent of the “10 week mega-peak”. Will this unprecedented retail period change sales peaks for ever?

Year on year we've seen the likes of Black Friday and Singles' Day grow in popularity, raking in billions of dollars, pounds and Yen from discount-hungry shoppers.

But as with so many other things, in 2020 this was different. The move of Prime Day to October, the early Black Friday deals starting at the beginning of November, and the closure of many physical businesses in the lead-up to Christmas meant that 2020's Q4 saw an unprecedented period of discounting online – lasting almost 3 months.

The expectations have now been set. While Prime Day historically sat in July, it seems unlikely that having dominated this Q4 10 week mega-peak in 2020, Amazon will now let its competitors back in the game. We therefore expect to see it

penciling in October to kick off the Q4 peak sales again this year. Other retailers who have organized their 2020 sales earlier, will see more consumers entering the Q4 discount market even earlier, and won't want to miss out.

And let's not forget that 2021 is likely to bring about some fairly challenging times for the retail sector in general.

This means that even more pressure is on retailers to get their mega-peak operations ready, resilient, and capable of handling the demand. The right offers, the right communications, a stable website, the ability to deliver quickly and return easily... there is much to deliver on to ensure that the 2021 mega-peak works for retailers.

SO WHAT?

- Start your 2021 peak planning early!
- Talk to your eComm partners about building a resilient offering, capable of dealing with a 3-month discounting mega-peak in Q4.
- Work out how to stand out or fight back against Amazon's dominance of the retail mega-peak.

NEXT STEP?

- Connect with our Head of Cloud, [Maarten v/d Bosch](#)
- View our [peak operations and planning services](#)
- Read our peak selling guide "[Let the online battle commence](#)"

14

DELIVERING THE FUTURE

Previously just a part of the supply chain, delivery and those providing it, are now the big players, shredding both consumer expectations and industries.

Look at the restaurant trade – power has shifted. In the current climate, the big players are no longer the restaurants themselves, but those delivering the food to the customer. Aggregators and deliverers may now hold the key to the future of the industry – and this will subside only slightly once COVID-19 is no longer Public Enemy #1.

In Latin America, the rise in the prominence of the likes of PedidosYa, Rappi, Globo, Uber Eats, has coincided with restaurants needing to reinvent themselves.

The concept of a restaurant without a restaurant would have seemed impossible just a year ago. Now we see more restaurants simply as ghost kitchens delivering gastronomic treats through delivery.

And if food is being delivered in this way, then big companies can become restaurants in this new world – using this new distribution method to get their products into the hands (and mouths) of consumers.

In which other industries do we think this could happen? We're already seeing home delivery services for magazines, newspapers, coffee, bags of groceries, fashion clothing (and not just concierge try-on-at-home services). And from just £1.49, Greggs can deliver vegan sausage rolls to you.

If that's today, what can we expect delivered to our doorsteps tomorrow?

SO WHAT?

- If you're selling high-demand products, make sure consumers can easily order them for delivery.
- If they're not high-demand, consider making them deliverable as part of a D2C play.
- Consider if you can bypass physical delivery by digitizing your products and services.

NEXT STEP?

- Connect with our Craft Lead Commerce, [Tjerk de Vreeze](#)
- View our [Commerce Operations services](#)
- Read our guide "[Not a delivery business? You are now](#)"



15

RETURNS... FROM HOW QUICKLY YOUR PRODUCT CAN BE DELIVERED, TO HOW QUICKLY IT CAN BE RETURNED

What's the most commonly cited thing that consumers would change about online shopping? Free returns (28%) closely followed by easy returns (25%)*, highlighting a new area of the online sales experience which is ripe for innovation.

As deliveries have become faster, led by the likes of Amazon, consumers' frustration around friction in the online experience has shifted from how long they have to wait for inconvenient deliveries, to how annoying the returns process is.

It's an irritating but necessary by-product of online shopping that every once in a while what you've ordered needs to be returned. But returning products is not always easy. This is an issue further complicated by COVID-19, with more of us wanting to avoid heading out, including a trip to our post office.

While delivery has seen a lot of innovation, the same cannot be said about the matter of returns. Sure, Amazon now offers returns pick-up from your home for some of its 1P items, and Royal Mail recently launched its own collection service.

It's an area of the online experience which we believe will see huge innovation in the future. How come a drone could deliver me a product in 2 hours, yet I have to return it by going in-person to my local post office? It doesn't sit comfortably.

And those businesses capable of offering consumers what they want – namely free and easy returns – stand to create differentiation in a digital-first world where differentiation is increasingly difficult to achieve.

SO WHAT?

- Businesses must review their returns processes from a customer-first perspective.
- Investment must be made into “delivering” a fantastic returns service.
- Remember that owning the infrastructure works best in the long run.

NEXT STEP?

- Connect with our Craft Lead CX/UX, [Marco Flapper](#)
- View our [Customer Experience services](#)
- Read our report on consumer shopping preferences [“The Future Shopper”](#)

*Source: COVID, Commerce and the Consumer, July 2020



16

THE ENVIRONMENT VS COMMERCE CONUNDRUM

Faster delivery, more frequent orders, easier returns, greater ranges... but better sustainability. In this current world, can consumers expect better environmental practices whilst demanding next-day delivery?

The simple answer is "yes". It may be hard to deliver, but that's what the consumer of the future (and to be honest a great number today) will demand.

Over the last 5 years, 44% of consumers say that their purchasing has become more environmentally friendly, with only 4% of consumers saying that they had become less environmentally conscious*.

And when asked whether the environment or delivery was more important, 43% pointed to the environment; 20% chose fast delivery and 29% said they were equally important*. In fact, consumers expect to wait only 2.8 days for the goods they order online to be delivered**. Meanwhile, more environmental options like Amazon Day Delivery have been used by just 22% of consumers*.

SO WHAT?

- Build your business and its operations ethically, with sustainability in mind.
- Make sure to communicate your environmental and ethical credentials credibly.
- At the same time, ensure that range, ease, speed and convenience can be delivered in parallel.

NEXT STEP?

- Connect with our Craft Lead CX/UX, [Marco Flapper](#)
- View our [Customer Experience services](#)
- Read our report on consumer shopping preferences "[The Future Shopper](#)"

The significance of these findings is highlighted when you consider that in the US, for instance, online consumers order from Amazon on average 8.8 times a month**.

So what is required? A fine balancing act which maintains ease, speed and convenience for consumers, whilst also ensuring that morals, ethics and sustainability are at the heart of organizations too. These values must be communicated to consumers, but above all else need to be authentic.

*Source: WT Commerce research: 'Welcome to the Mega-Peak', November 2020

**Source: Future Shopper 2020, April 2020

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PLUGGING IN TO SOCIAL COMMERCE'S POTENTIAL

Social media has always had a great front-end experience, but it's now time for the back-end to start pulling its weight.

Social commerce is not exactly anything new. In 2019, we found that digital commerce leaders believed that within ten years, it would be the number one online sales channel. And our Future Shopper 2020 survey indicated that 1 in 5 shoppers favored social media for inspiration, with this percentage (19%) rising to 34% for the youngest age-groups (16-24).

And yet, social commerce has, up until now, felt more like a media-play, or a small-scale test. With today's consumers spending so much of their time on social media platforms, it feels like its implementations to date really haven't taken advantage of the clear and vast opportunity available. We've seen beta tests, we frequently encounter more "shoppable" posts pushing us to direct-to-consumer sites, and we've become aware of the growth of livestream commerce. But with consumers pushing for range, ease, speed and convenience across all of their online shopping interactions, social stands on

the cusp of an explosion. And the catalyst for this explosion is the ability for the platform to integrate with back-end systems.

If we see a post with a product we want to buy, we typically want to buy it there and then. We want to know if it's in stock and how long it will take to arrive. We want to pay for it on the platform and then move on to the next post. With "compressed commerce" (see trend 2) becoming so important, we want the process from inspiration to transaction to be a matter of milliseconds, not minutes.

It is in this arena that the fight for social commerce will be won or lost. Whichever platforms can effectively integrate with brands' and retailers' back-end systems will unlock the speed and scale of social commerce, and revolutionize how a new generation of shoppers will become inspired, will search, and will transact.

SO WHAT?

- Evaluate how you're motivating consumers to move from social post to purchase today.
- Monitor developments that will enable true in-app social commerce – Facebook and Instagram for starters.
- Get ready to integrate with these technologies, so that when they're tested and ready, you're ready too.

NEXT STEP?

- Connect with our Customer Experience Consultant, [Kathryn Helen Rutherford](#)
- View our [Social Commerce services](#)
- View our [New Commerce Technology services](#)



DIGITAL COVID... THE NEXT PANDEMIC?

Floored by a global pandemic, many consumers the world over admit to being saved by online shopping and experiences. However, what if the next pandemic is digital?

Many theories exist about the origin of COVID-19. While some see it as the consequence of human encroachment on wildlife, others see it as a more sinister, human-made virus emanating out of a lab.

The connected world, as we've seen, has spawned many digital viruses too. So we found ourselves asking the question "what if the next big global virus was digital?"

What if a virus-laden piece of code were to escape? What if terrorists harness the power of a virus to shut down our digital world on a global scale too?

How would we have coped with this COVID situation without email, video conferencing, online shopping or even (whisper it...) Netflix?

Sure, a digital virus may have less direct impact on loss of life, but what's clear is that shutting down societies has a huge impact on our collective, individual, and economic wellbeing. And this impact was significantly dampened this year by the support of online. Without the part-panacea of digital, where would we have been?

It is therefore vital, as we start to use more connected devices, and as we start to rely more on digital solutions and eCommerce, that we are also aware of the risks of digital viruses and that we as consumers and as businesses take adequate steps to secure our online experiences.

SO WHAT?

- Secure your networks – not just your corporate ones, but all connected ecosystems.
- Review the resilience and currency of your business continuity plans and operations.
- Think "Anywhere Operations" – identify an operating model to allow your business to be accessed, delivered and enabled anywhere.

NEXT STEP?

- Connect with our Chief Technology Officer, [Sandeep Mahajan](#)
- View our [Commerce Operations](#) and [Data services](#)
- Read our report "[COVID, Commerce and the Consumer](#)" and other Covid-19 '[Business Fightback](#)' resources



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ME, MYSELF AND I

I will take two, one for me and one for my avatar. Gaming is on the rise. So too is our online activity and it's blurring the lines of who we are and how we're seen, and this will ultimately change how, and for whom we buy.

Since the first lockdown in 2020, have you been one of the 55% of people that have picked up video games as reported by SuperData (a Nielsen Company)? With more people investing their time into gaming as an escape as well as how they socialize with friends, there are more people willing to spend money in-game.

And increasingly, the digital you is the physical you. Think about it. Our children are forming friendships and taking classes online. Much of our work and interaction in 2020 has been digital. Many of our celebrations – from birthdays to new year's parties are taking place online rather than in-person. The boundaries are being blurred.

Purchasing in-game has been around for decades – and many brands have moved into selling digital versions of products within games and online sites.

But these worlds have remained distinct – something that is starting to change. It is only a matter of time until, as a gamer, you will be able to purchase not just the digital item for your avatar but the physical version at the same time. In fact why can't I buy the same outfit for myself as I can for my in-game avatar? Already the likes of Sky and Amazon give you the option to buy films in both digital and physical format through just one transaction.

This kind of experience could even go in the other direction with customers buying physical products and getting the digital version included. In the end, expect the digital and physical worlds to become one and the same.

So, businesses now need to think about consumers in two different guises – their physical selves, and their digital selves... and make sure they sell to both!

SO WHAT?

- How are you taking advantage of the gaming market?
- Is there a synergy between your brand and the gaming sector?
- Could you partner with a games company to provide a physical and digital collaboration?
- Are your customers asking for digital versions of your products to have in-game?

NEXT STEP?

- Connect with our Craft Lead PIM/PXM, [Dennis Peek](#)
- View our [New Commerce Technology services](#)
- Read our report on consumer shopping preferences ["The Future Shopper"](#)



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ONLINE EDUCATION – HOW CONSUMERS OF THE FUTURE WILL BECOME MORE PROFICIENT SEARCHERS, RESEARCHERS AND DECISION-MAKERS

Thought the next generation of consumers was going to be demanding? Well thanks to COVID-19 and lockdowns, they just got digitally supercharged.

Research that we conducted in 2019 indicated that Generation Alpha (kids born between c2003 and c2016) would become the most demanding of consumers, having been conditioned by super-fast Amazon delivery, lightning quick download speeds and an endless aisle of products to search and purchase from online.

Yet, what was already a digitally native group just got a digital super-booster with lockdown. As online sales surged from c.30% to 60% of spend during lockdowns, as grocery shopping became more about online than in-store, and as teaching went from the school classroom to the Google classroom, these future consumers just got a whole lot more digitally literate.

So, what does this mean for commerce? Well, when your entire life is spent online, it makes sense to imagine that these digital natives will insist on even more of their spending happening

there too. Their skills will enable them to get inspired from a much wider range of sources, search faster and more effectively than ever before, and transact with the online retailers that offer them the right levels of range, ease, speed and convenience. They will be like online seeker missiles – able to cut through the dross and seek and smash the best deals in seconds.

Their expectations of digital excellence will be extremely high. Because if their teachers can operate slick online classes, then their brands and retailers had better deliver slick online sales journeys and experiences too.

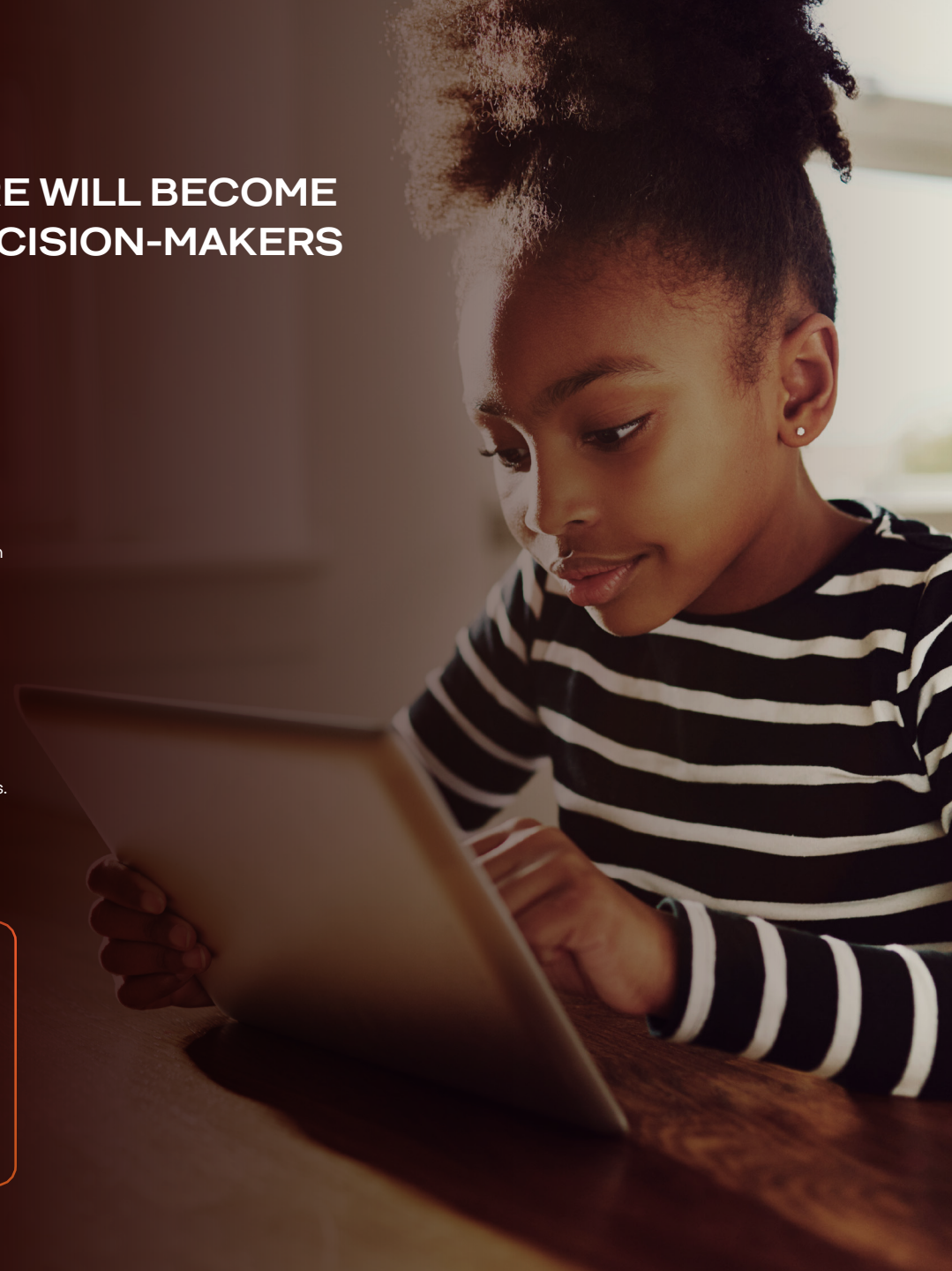
All of this means that channel strategies need to be right. CX, UX and UI need to be on point. Customer service, delivery and returns all have to be spot on. We just created digital monsters. Now they need feeding!

SO WHAT?

- Be clear what the next generation of consumers for your products and services expect.
- Ensure that you are in all the right channels to maximize the opportunities to sell and support.
- Get your end-to-end customer experience, from inspiration to search to transaction to delivery to repurchase, right.

NEXT STEP?

- Connect with our Craft Lead Commerce, [Tjerk de Vreeze](#)
- View our [New Commerce Technology services](#)
- Read our reports “[COVID, Commerce and the Consumer](#)” and “[Generation Alpha: Preparing for the future consumer](#)”



ABOUT WUNDERMAN THOMPSON COMMERCE

Wunderman Thompson Commerce is a global eCommerce consultancy that brings strategic clarity, technical know-how and creative inspiration to help retailers, manufacturers, and brands deliver winning commerce capabilities across all major digital commerce channels: marketplaces (including Amazon), online retailers, D2C, B2B and social commerce.

Our end-to-end offer includes strategy, people and technology enablement, plus channel execution. With over 1500 commerce experts, and key strategic partnerships with Adobe, Intershop, Salsify, Salesforce, Dynamic Yield, Commercetools and more, we help global organizations deliver capability, platforms and sales.

Wunderman Thompson Commerce is a WPP company. We are part of Wunderman Thompson, a creative, data and technology agency built to inspire growth for its clients. Wunderman Thompson brings together over 20,000 creatives, data scientists, strategists and technologists in 90 markets.

Clients include SharkNinja, Makro, Xerox, Staples, Jumbo Supermarkten, Alko, Häfele, Isero, Plus Retail, Body & Fit, Akzonobel, Sainsbury's, Selfridges, Halfords, Tedbaker, DFS and many more.

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An abstract digital cityscape composed of numerous 3D rectangular blocks of varying heights and widths, creating a dense urban environment. The scene is set against a dark, gradient background. Several bright, glowing lines of light, primarily in shades of magenta and cyan, streak across the scene, some following the contours of the blocks and others cutting diagonally across the frame. The lighting is dramatic, with strong highlights on the surfaces of the blocks and the glowing lines, and deep shadows in the recesses of the city.

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