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SHOPTALK

Trends Report 2024

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Prioritizing Personalized Retail Experiences

Addie Black
Commerce Strategy Manager
Publicis Commerce

Successful brands and retailers prioritize meeting consumers where their attention lies. Once marketers pinpoint audience preferences and behaviors, they must deliver personalized and engaging experiences. Crafting tailored experiences, whether in-store, online, or a blend of both, will drive success in the coming years. At Shoptalk, several speakers emphasized the importance of personalized experiences and entertainment that seamlessly align with brand and retailer goals, aiming for a frictionless shopping journey. This approach includes reaching consumers effectively, revitalizing physical stores, and ensuring every touchpoint resonates with shoppers.

KEY TAKEAWAYS

The In-Store Revamp: Countless retailers presented their goals to revamp their in-store experience, echoing PWC US Retail Leader Kelly Pedersen's reminder that the physical store is not dead and that consumers are eager to return in person. Younger shoppers, in particular, relish the opportunity for real-life interactions, especially if they involve entertainment and shareable experiences. Today's consumers expect seamless, digitally sophisticated experiences both online and offline. Kohl's, Macy's, Abercrombie & Fitch, and Michael's outlined their plans to enhance their stores by creating smaller, more enjoyable and entertaining spaces that cater to consumers' expectations. Retailers will be even more selective with brand's presence, which means fewer in-store retail media placements. Brands and agencies must adapt to this reduction in inventory and the heightened demand for personalized, engaging experiences that not only captivate shoppers but also encourage them to share their experiences with friends.

Personalization: Macy's CEO Tony Spring aptly expressed that shoppers no longer want the endless aisle; they want the *best* one. Shoppers are no longer enchanted with infinite choices. Instead, they want to be served the best items that fit their specific needs for a better experience. It's about recognizing shoppers, understanding their preferences, and providing a personalized experience that enhances convenience. Marketers must anticipate these preferences, leveraging first-party data and digital performance metrics to optimize how their brands appear in the *best* aisle for each shopper.

The Intersection of Personalization and Entertainment: The fusion of "personalization meets entertainment" is evolving, promising increasingly vibrant and enjoyable experiences as more brands and retailers embrace this trend and refine their strategies. Marketers should anticipate a persistent, competitive landscape both in-store and online, necessitating an understanding of when and where consumers seek entertainment versus efficiency. Identifying consumers' mental states will be pivotal in crafting personalized strategies. DSW and Canada Goose offered insights into this delicate balance: DSW focuses on infusing local flair, such as unique apparel and events, into each store while maintaining a core focus on selection and efficiency. Understanding that shoppers prioritize convenience in varying ways and contexts is key; marketers who decipher this equation will thrive in the years ahead.

The Rise of Measurable Marketing

Tucker Gitlin
Publisher Business Development
CJ

The influencer boom, now often linked to affiliates, is showing a data-driven shift. Brands leverage creators of all sizes for awareness and conversions, not just branding. Collaborations with conversion-focused publishers unlock new audiences, while scalable tech empowers brands to activate even niche creators, turning them into conversion drivers.

This reflects a focus on measurable results, aligning influencer partnerships with performance marketing. Strong, cross-functional teams empowered to achieve strategic goals fuel this shift. These teams expand brand presence on new platforms and tailor experiences to demographics, fostering deeper engagement and attracting new customers.

KEY TAKEAWAYS

Through these actionable takeaways, brands can become more insights-led and forge deeper connections with new audiences:

Measuring Outcomes: Influencer marketing's rise, now tightly integrated with affiliate programs, is driving a data-centric revolution in marketing. Brands are shifting gears, going beyond pure awareness campaigns. By strategically leveraging a vast network of content creators, from micro-influencers to established publishers, brands will achieve both brand recognition and conversions. Testing campaigns with publishers focused on conversions can unlock access to untapped audiences while scalable tech empowers brands to activate even more niche creators. This strategic shift reflects a growing demand for measurable results. Brands must now align influencer partnerships seamlessly with their performance-based marketing goals.

Empowered Teams, Strategic Vision: Building strong cross-functional teams is no longer optional – it's the cornerstone of effective marketing. These teams, integrating both internal and external partners, foster a "general manager mindset" where everyone grasps the business's goals, challenges, and opportunities. To unleash their full potential, companies need to immerse all team members in the brand and ensure a crystal-clear understanding of the overarching objectives. This fosters autonomy for creative problem-solving while also encouraging collaboration. Companies must move toward a cross-functional approach which empowers everyone to contribute more effectively towards achieving the brand's strategic vision.

Meet Customers Everywhere: Brands are shifting their strategy to meet customers on their preferred platforms, both online and offline, with a focus on driving measurable outcomes. This includes leveraging digital spaces like Discord and Roblox for community building and brand awareness, which can be tracked through metrics like engagement rates. Creating unique in-person buyer experiences, like Coach's "College Campus" pop-ups, allows for direct measurement of conversion rates and customer acquisition costs. By tailoring communication channels and experiences to specific demographics, such as Gen Z, brands can leverage affiliate and performance marketing strategies to maximize return on investment and attract new customer segments that are open to spending on items and experiences to “treat themselves”.

Reference link: Coach’s College Campus Program

Growth Unleashed: Personalization, Social Commerce, and GenAI

Becca Kuo
VP Group Director, Commerce Media
Digitas

In the ever-changing realm of media, advertisers are venturing into new territories to enhance their reach and generate incrementality through social commerce and tailoring promotions to individual preferences. The rise of Omnichannel marketing, where multiple channels activate simultaneously, has sparked discussions on the role of AI and GenAI. While initial talks revolved around AI's capabilities, the focus has shifted towards identifying the most effective applications. In this dynamic environment, agencies play a pivotal role as architects, responsible for orchestrating comprehensive strategies and providing clients with a broader perspective on their market dynamic.

KEY TAKEAWAYS

Shopper Behavior: Spending Paradox and Omni channel Success: A McKinsey study shows shoppers' polarity behavior, especially among Gen Z and high-income earners. These shoppers opt for budget-conscious decisions while indulging in luxury travel experiences, or decrease spending on groceries as a saving measure but are willing to splurge on dining out. This shift suggests shoppers prioritize memorable experiences over tangible goods. Shoppers typically go through three channels —brick-and-mortar stores, online platforms, and social media—during their purchasing journey. Crafting a networked and inspiring omnichannel experience is imperative for brands seeking to increase engagement and stimulate conversions.

Social Commerce: Revolutionizing Engagement: With the rise of content creators and platforms, social commerce emerges as a shopping revolution. From shoppable videos and gaming to live streaming and posts, these features diminish friction and empower shoppers to seamlessly discover and purchase products within the swipe of a finger. Social media users can now engage in the thrill of trying out new beauty products or limited-time ice cream flavors alongside their favorite content creators. Social platforms serve as hubs for viral trends, inspiring shoppers to explore products they may not have known they needed. For advertisers, social commerce presents an opportunity to drive heightened engagement. The next opportunity for advertisers would be identifying scalable activation strategies.

Personalization: Driving Conversion and Incrementality: Target featured their Target Circle 360 program, which offers personalized product recommendations and exclusive deals through its mobile app. It is part of a three-pronged approach that aims to retain existing shoppers and acquire new customers. Research indicates that utilizing personalized messaging on shopping sites, as opposed to generic content, can yield a 41% increase in conversions and incremental sales. However, as personalization takes precedence, concerns about data privacy have arisen for both consumers and brands. Navigating this terrain requires advertisers to establish a robust analytics foundation and strike a delicate balance between personalized targeting and broader customized messaging. The goal is to ensure that messages remain relevant while respecting users' privacy.

Unlocking GenAI: While the sky's the limit with GenAI capability, discussions at Shoptalk this year centered on its convenience and efficiency. Pacvue recently conducted A/B testing for a holiday campaign, comparing a banner created by GenAI with one from an agency. Despite similar results in ad attributes, GenAI significantly reduced the time spent on asset creation. At Walmart, GenAI was integrated to assist associates in answering shopper queries according to company guidelines, such as determining the number of balloons needed for a birthday party. Adopting GenAI in agencies entails 1) understanding its essence, 2) grasping its functionalities, and 3) treating it as a brainstorming partner for idea generation. While GenAI offers suggestions based on cues, it remains the agency's responsibility to convey comprehensive strategies to clients.

Unlocking Retail Insights:
The Power of Clean Rooms

Christopher Blaydon
SVP, Data and Analysis
Digitas

Along with AI, Clean Rooms were one of the emerging tech and data topics covered at Shoptalk. Imteaz Ahamed, Head of Performance Marketing at Reckitt, and Daryl Porter of Tomorrow Retail shared their experiences with clean rooms and building analytics capabilities within organizations.

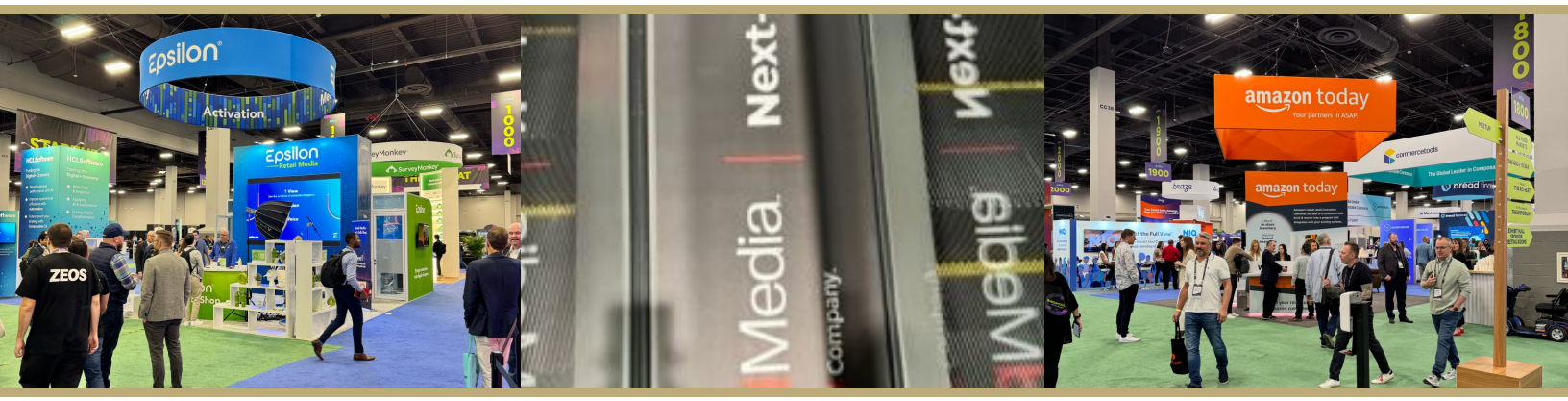
KEY TAKEAWAYS

Retail Media is one of the most applicable areas for clean rooms: Retailer clean rooms offer immediate opportunities for brands to gain insight on customer buying behaviors and developing unique audiences to activate. Given many brands have limited access to audience-level buying behavior, this provides a unique insight capability, especially for CPGs.

Brands need to focus on ROI: Panelists discussed that many data and tech initiatives fail because they focus more on research and insight and not on what the initiative will do to drive sales. Given the investment, time, and resources required to set up these environments, brands need to define the expected outcome upfront in order to sell it into the organization.

Reckitt leveraging Amazon capabilities: Reckitt shared their use of the Amazon clean rooms, particularly focusing on behavioral signals that identify growth audiences for the brand and then activating media against them. Insights from the platform can help target audiences with the highest potential for incremental sales, and then provide the analytics to measure the incremental impact.

Identify the right strategic partners: Reckitt stressed the need to bring in teams with the right experience. Imteaz Ahamed discussed the challenges in leveraging freelance data scientists, who lacked the knowledge of the brand and the industry expertise. In the end, he found the highest value in agency and internal partners as they understood the brand, the industry, and retail media, ultimately maximizing the effectiveness of his programs and initiatives.



Old-School Wisdom, New Age Success

Michelle Niblock
SVP, Group Account Director
Digitas

Among the tech giants and up-and-comers, this year's show also brought back a handful of retail 'OGs' including the likes of Macy's and Bath & Body Works, who helped remind us that even with new technology and seemingly endless data at our fingertips, it's often foundational marketing strategies that help make the most of those advancements to drive businesses forward.

KEY TAKEAWAYS

Listen to Customer Actions:

- Early in the show we heard from Abercrombie, who has made a major comeback the past few years after a tumultuous decade of losing share across generations. Realizing that their core consumer had aged up, they sought to better understand the target, leading to a strategic pivot towards digital experiences and adjusting product lines to align with the '96-hour weekend' and 'endless events' insights garnered from the customer data.
- We also heard from Macy's Tony Spring, who took the mainstage in his first public speaking engagement as CEO. Taking stock of their footprint, portfolio, and customer behaviors, they recognized the need to close stores that were "built for a different era," making up ~25% of the Macy's footprint but only contributing ~10% of sales. Instead, they focused on where they were seeing the most customer traction: with smaller, digitally-enabled blueprints, amplifying luxury offerings, and leaning into the Blue Mercury brand.
- Customer behavior has guided decisioning long before the digital era, but now brands must master how to use the mass amount of data and learnings at their fingertips most effectively to drive decisions across everything from creative to product development.
- Now more than ever, marketers need to have a macro understanding of the business and seek to democratize data to bring capability teams together in service of greater, collective, and networked organizational goals.

Grow your Base:

- Those who follow Sharp's school of thinking would agree that brands grow by winning new customers. Bath & Body Works and Kohl's both leaned into this notion to bolster sales growth over the past handful of years.
- Bath & Body Works, recognizing that incremental sales with loyal customers could only go so far, began launching new product lines in home categories that were a gateway to bring new males into the store for when they eventually launched their men's product line.
- In 2020, Kohl's announced their partnership with Sephora and have since launched over 850 stores together. The partnership is expected to have brought in over $2B in sales by 2025, but critically is also driving a younger demographic to Kohl's and is boosting complementary department sales in women's, jewelry, and children's. The company's CEO, Tom Kingsbury, shared that over 40% of Sephora in-store purchases have another item in the basket.
- Marketers should consider audiences beyond their immediate and current targets and how partnerships can expand in new ways (ie. connected loyalty platforms, product assortment expansion) that attract new-to-brand consumers.

Old-School Wisdom, New Age Success

DIGITAS

KEY TAKEAWAYS - CONTINUED

Over-communicate:

- In the excitement of launching a new product or initiative, it's easy to forget that not everyone is involved in its creation. Marketing teams and leaders have the critical task of sharing information to any and all impacted areas of the organization to ensure successful adoption.
- Hearing from the Walmart's Head of Media, Jill Toscano, she noted that the line of communication between her key decision makers in legal and corporate comms was constant. Having them "on speed dial" helps the marketing team operate with greater agility and advocacy across the hundreds of campaigns in flux.
- Victoria's Secret reminded us of the importance of equipping store associates with the latest information. The brand's Chief Customer Officer, Chris Rupp, noted a program they launched with all store associates to give them more real-time access to customer data, training them on how to effectively leverage it to guide authentic conversations at the store.
- Marketing teams need to ensure they have proper internal communications in place to drive successful campaign and program launches across their organizations. New solutions from emerging AI tech should be considered to make share-out and buy-in even more seamless. ◆

Retail Media and Traditional Media Increasingly Converge

Jaclyn Nix
EVP, Brand Sales
Epsilon Retail Media

Retail media was once again a huge presence at Shoptalk amid the other retail solutions. A common theme was the increasing convergence of retail media and traditional media. We saw it from both sides: retailers leveraging tech and partners to help drive more traditional media investment, as well as traditional/social media companies aligning with retail media.

KEY TAKEAWAYS

Shoppable social media: Social media companies like TikTok and Pinterest had a big presence at the event. Pinterest shared that they are the most used app in the grocery store, so retailers like Ahold Delhaize increasingly partner with them and their retail media platforms to inspire purchases especially around recipes and occasions.

Growth of video: Shopping is no longer a linear journey, and CTV is an increasingly important retail media tactic. In Next-Gen Customer Journeys: Marketing and Acquisition panel with Andrew Lipsman Founder & Chief Analyst, Media, Ads + Commerce, Emily Bibeault of Campari said that targeting customers on CTV required 78% fewer impressions, and customers converted 21 days sooner compared to display. Lipsman echoed that more expensive ad units like CTV are better for iROAS.

AI everywhere: Artificial intelligence (AI) is an important tool for media and was a key theme at Shoptalk. It was referred to more generally, but generative and predictive AI are important to retail media. Generative AI can be used to help personalize creative and even understand complex data sets within clean rooms. Predictive AI is important for getting the right message in front of the right consumers at the right time.

AI for Commerce – Hype or Reality?

Mike Black
CMO
Profitero

AI was all the talk at Shoptalk. You could hardly find a tech vendor that didn't have "AI" splashed all over their trade show booth or attend a session where it wasn't mentioned once. However, the AI hype has left brands feeling overwhelmed and confused about its real vs hypothetical use cases. Many brands are still watching from the sidelines. In fact, a recent Profitero benchmark survey found that only 8% of brands have incorporated AI into their commerce workflows to scale team processes. So how should commerce brands approach AI?

KEY TAKEAWAYS

Play offense and defense: Offensively, brands should learn all the ways competitors are using AI to optimize creative, analytical, and operational workflows. They should document high-value use cases and pilot as many solutions as they can to weigh costs versus returns. Defensively, brands must understand how retailers are using AI to change their search experience. For example, Amazon is using AI to make search results less dependent on simple keyword matching vs matching against attributes, use cases and personas. Brands that don't adapt will suffer.

Democratize insights: As eCommerce matures, knowledge must extend beyond digital centers of excellence and reach everyone who influences the sales and marketing funnel across both stores and online. Chat-based AI tools embedded in digital shelf analytics, media spend data, and sales trends can make it easy for wider business teams to quickly obtain the market insights they need, avoiding analyst bottlenecks.

Pilot AI-generated content: Low-hanging fruit includes using it to quickly optimize product titles and descriptions with trending keywords and retailer best practices to boost SEO results. One stationary brand using Profitero saw a 17% increase in traffic on Amazon as a result of deploying AI-optimized content.

Seek out the right partners: Before seeking AI solutions from strangers, talk to your current partners about how they are integrating AI into their products. Be clear about your use cases and requirements and help them shape their roadmap to meet your needs.

Cracking the Code: Cross-Functional Collaboration for Successful Digital Transformation

Sabrina McPherson
Senior Managing Director,
Transformation Strategy
Publicis Sapient

publicis sapient

The role of cross-functional collaboration in a successful business transformation must not be overlooked, as evident at this year's Shoptalk. Experts delved into this softer requirement of transformation, examining how to break down silos and drive cross-functional effectiveness through new ways of working, digital-enabled operating models and culture shifts.

KEY TAKEAWAYS

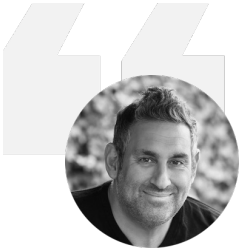
"Over-Include" For Broader Buy In: It is important to invest time up front to engage multi-disciplinary teams and functions across the organization to drive alignment on your digital transformation priority. Let people "opt-out" if they are peripheral vs. being excluded from the outset. Casting a wide net will ensure broader buy-in and support for your strategic initiative.

Cultivating a General Management Mindset: Encourage every team leader—regardless of their function, from technology, data and analytics, marketing to brand—to have a general management mindset. This can help teams to focus on a shared outcome, breaking down silos and improving cross-functional collaboration. Companies should implement talent development frameworks that utilize general manager orientated OKRs to foster this mindset and drive the necessary behavior.

Clearly Define Roles for Cross-functional Effectiveness: While integrated teamwork is crucial, individuals should still have a clear "swim-lane" within their team and a clear understanding of the integration points with other team members' work. Leaving this unclear often results in confusion, bottlenecks, and sub-optimal work, impacting product value and speed to market. Clearly lay out who is responsible for what, by when, and how it is dependent or connected to the other pieces of work in the team.

To learn more about digital operating models and effective workforce transformation to put you firmly at the front of the road to next, visit the Publicis Sapient agile organizations hub.

Fandoms – Building Community, Engagement and Growth Across The Customer Journey



Michael Malone
SVP Content & Commerce
PubW

In an increasingly fragmented world, fandoms have become more than just niche communities or followers. And while fandoms are nothing new, they have grown into a dynamic commerce powerhouse that more and more brands are utilizing to build greater loyalty to grow their business; while 'Swifties' and 'Barbie core' were the talk of the industry, they are just the tip of the iceberg. Statistics show that 80% of consumers say fandoms bring them joy and 50% engage with it on a daily basis (*Market Drive). Better understanding of and embracing your consumer passions, as well as where and how they engage can unlock deeper connections, loyalty and sales.

KEY TAKEAWAYS

It's not just the merch, it's a lifestyle: Whether you're a Taylor Swift Fan or Lionel Messi and Inter Miami CF, your fandom extends far beyond branded clothing, permeating various aspects of everyday life and opening up countless cross-category opportunities. Retailers like Walmart cater to Swifties, offering everything they need to prepare for concerts, from trendy fashion pieces to beauty essentials and accessories. NFL enthusiasts don't just seek out jerseys; they also indulge in tailgate and home-gating gear, as well as video games like Madden NFL.

Collabs continue to skyrocket: From Netflix's partnership with Stranger Things to McDonald's teaming up with Travis Scott, and Crocs collaborating with Luke Combs, an increasing number of brands are leaning more heavily into pop culture, entertainment, influential creators, and emerging challenger brands to tap into these devoted fandoms. Some collaborations come to life organically, such as Travis Scott's genuine love for McDonald's, while others push boundaries, like Fenty's unexpected partnership with Heinz, which tends to captivate Gen Z consumers even more. Although livestream shopping has yet to fully take off, the release of limited edition collaboration drops creates that FOMO effect, amplifying excitement and engagement within this channel.

Creators embrace 'omni-channel': As the creator economy experiences exponential growth in both scale and impact, influencers are diversifying beyond traditional social media platforms, venturing into a multitude of new arenas and taking their fanbases along for the ride, including television, CTV, and OOH. And where the creators go…their fans will follow. Walmart, for example, recently leveraged mega creators on Roku for a Holiday content series, T-Mobile placed influencer chef Wishbone Kitchen to star alongside Jason Momoa in their Super Bowl ads, and Amazon is developing a game show with Mr. Beast. This gives brands license to leverage these fandoms in whole new ways and connecting with customers across the funnel.

In today's landscape more consumers are demanding deeper personalization and look to support brands that support them, and Fandoms have emerged as pivotal drivers in meeting these expectations. This underscores the importance for marketers not only to embrace fandoms but also to integrate them strategically into their media, content, and marketing toolkits.

AI and Retail:
Beyond the Buzz

razorfish

David MacDonald
Head of Retail & Commerce
Razorfish

In the era of digital transformation, the retail industry is undergoing a paradigm shift driven by the advent of artificial intelligence (AI). AI has the power to redefine retail as we know it and presents many opportunities for retailers to reimagine the customer experience, optimize operations, and unlock unprecedented growth potential if applied strategically. But simply deploying AI solutions without a clear strategy won't work. Retailers must also carefully consider things like brand safety, growth objectives, and organizational readiness before embarking on their AI journey. While every organization needs an AI strategy, picking the right strategy will determine whether AI improves results across the enterprise.

KEY TAKEAWAYS

Reimagining Retail with AI: At Shoptalk we heard from many brands that are implementing AI tactics into their work processes, and the approach to AI tends to be different based on whether the organization is a challenger brand or an established brand.

Established brands are applying AI in the backend of their operations to increase efficiencies where challenger brands tend to use AI to innovate as well as to increase speed and scale. As an example - Shailesh Jejurikar, COO of Procter & Gamble stated they are using AI to focus on optimizing their supply chain logistics, making sure that they have shelf availability in stores. Suze Dowling, Chief Business Officer of Pattern, shared that they are using GenAI across their customer experiences, driving more personalization and relevant content.

Brand Safety: In the realm of retail, brand safety is of utmost significance. This can be particularly important for regulated companies like those that that sell vitamins or healthcare products, as they can have restrictions on how they can market to consumers on product pages. These brand-safety-focused retailers are often restricting usage of Generative AI on product description pages, but that doesn't mean they can't leverage AI at all – many are using AI to help optimize the retailers and locations where their products are more likely to convert and identifying which demographics are a higher conversion group.

Challenger Brands: AI has revolutionized commerce personalization by offering businesses the ability to tailor experiences to individual customers at scale. Challenger brands are often leading the way when it comes to new GenAI approaches because they don't have established brand equity or large marketing budgets, so they have to get more out of what they do have. Brands with a hyper-focus on personalization and building awareness for their products can get more traction if they integrate AI into their strategies. We initially saw this with Shein and their AI-driven product creation, but while the approach built awareness, they have issues in executing the product creation as well as quality concerns which can lead to a negative brand perception. While Shein went to an extreme approach, new brands can employ GenAI to drive personalized experiences while keeping production costs low.

Personalization: AI empowers businesses to deliver highly personalized shopping experiences that drive customer satisfaction, loyalty, and ultimately, revenue growth. By leveraging AI technologies effectively, businesses can stay ahead of the competition in today's rapidly evolving commerce landscape. This data-driven approach can enhance click-through rates, boost conversions, and foster long-lasting customer relationships.

Adapt and Thrive: The retail industry is at a crucial inflection point, much like we were with the growth of ecommerce over the past 20 years. If a brand isn't focused on incorporating AI, it'll fall behind the competition. Every organization needs an AI strategy. Picking the right strategy based on company size, market share, industry regulations, and customer needs will help AI improve your brand experiences.

Social Commerce is Alive and Well (Just Ask TikTok)

razorfish

Stevie Morris
SVP, Social Commerce Lead
Razorfish

While AI dominated just about every keynote and panel at ShopTalk this year, it was equally hard to miss the topic of social commerce – especially with TikTok Shop's giant booth on full display at the center of the convention floor (was it just me or was everyone donning those Barbie-pink "When in doubt, TikTok Shop it out" tote bags?). Even with the news cycle continuing to question whether TikTok will be sold or banned in the U.S., brands and retailers seem to be more onboard with social shopping this year – particularly those who depend on reaching Gen Z to buy their products.

KEY TAKEAWAYS

More consumers are shopping on platform:

- Brands (especially younger ones) that are looking to reach Gen Z in the channels where they are engaged in most, are using social commerce to drive product discovery and sales. With time spent on social media at an all-time high, it's clear that shopping within social channels isn't just a trend – it's become a consumer behavior. More than half (53%) of U.S. shoppers 18 to 29 plan to use TikTok for shopping and more than two-thirds (66.5%) of social buyers are under 44 (eMarketer 2024).
- As this cohort grows, brands who don't have at least one social shop will lose market share (albeit small at first compared to traditional eCommerce, but in time this will grow significantly).

TikTok Shop is going all in – but they need more brands onboard:

- Social commerce has proved to be a lean and cost-effective way to reach Millennial and Gen Z buyers with a specific product set. And while other social platforms like Meta, Pinterest and Snap are integrating and partnering with retailers like Amazon and Walmart to scale their shoppable products for brands – TikTok is looking to make its own way. This singular focus, plus the unveiling of its new Product Cart at Shoptalk, signals that TikTok could be further along than some of its competitors, in terms of offerings for buyers and sellers. It remains to be seen how successful they'll be, but they need more brands to engage.
- To attract brands TikTok continues to give away steep discounts… even giving away $10K in media for attendees who visited their booth at Shoptalk. Brands should be taking advantage of these incentives right now while they are available. (I know I will.)

Creators are the new storefronts:

- With shoppable videos and live shopping now the most popular ways consumers are buying on social platforms, creators are becoming THE way to drive engagement and clicks… making them the cornerstone of social commerce. 58% of TikTok users say they're more likely to trust brands after learning about them from TikTok creators, and 65% of users say they rely on sources like creator recommendations and reviews when deciding what to buy (TikTok ShopTalk 2024).
- Brands looking to launch a shop or boost traffic (and sales) to an existing shop should work with creators and influencers if they want to see results.

Connecting What Matters:
Commerce Solutions Born from Shoppers Needs

Lee Esmond
President
Saatchi & Saatchi X

In today's dynamic marketplace, it is important for brands and retailers to connect with shoppers in meaningful, actionable ways. Stemming from sessions at Shoptalk, we have identified three key approaches born of shoppers' needs: the use of narratives that engage consumers in a brand's story; advanced AI technology for curating personalized product recommendations; and finally, the use of multiplatform social channels for fostering brand awareness and loyalty.

KEY TAKEAWAYS

The Power of storytelling: From Star Wars to the MCU, using compelling narratives to drive merchandising is not new. But what the team at Mattel is doing feels different. For them, it is not just about turning a movie into a toy or line extension—it is about crafting culturally relevant stories that authentically connect to their brands across the consumer's journey. By adopting this authenticity-first approach, the merchandising and many surrounding brand partnerships feel like natural extensions of the story. While not every brand has a cultural icon like Barbie to build upon, embracing the power of storytelling and its relevance in creating authentic brand narratives is crucial for connecting with shoppers.

Shoppers don't want infinite options; they want curated selections: Even treasure hunters and deal seekers can get overwhelmed with the burden of choice—when making more than 35,000 decisions daily, decision fatigue is real. The evolution of generative AI creates possibilities for shoppers to seek smarter solutions than search alone can deliver. And when it comes to social commerce, shoppers can trust creators to be their curators, doing the research and narrowing the options, saving them time and potentially from making a "bad" choice. Curation doesn't have to be just the old favorite or category captains—it can still surprise and delight though discovery of selected and recommended new products. For brands and retailers alike, curation opens a door to building communities around shared interests, fostering a sense of belonging for those who follow their selections.

Commerce has always been social: Social interactions have played a significant role in commerce throughout history, although not in the way we think of it today in terms of social media and online platforms. Even before traditional advertising, recommendations from friends, family, and trusted individuals played a crucial role in influencing purchasing decisions. Traditional marketplaces throughout history have always been social spaces where people gather, compare products, negotiate prices, and exchange information. Social interaction has always been woven into the fabric of commerce, even if the forms it takes have evolved over time. Experiencing the tech-forward innovations at Shoptalk, the fundamental human need for connection and community formed the foundation for the standouts.

Shoptalk and
Retail Media's Next Chapter

Zenith
The ROI agency

John Elliott
SVP Commerce Director
Zenith / PSOne

I was a little taken aback by one colleague's description of Shoptalk as a "retail media conference"— but in many ways, that is what it has become over the last several years. At this year's event, Retail Media Networks (RMNs) continued to hold a commanding presence on the stage, exhibition floor, breakout rooms and informal gatherings. Here are some of my biggest RMN takeaways from this year's Shoptalk.

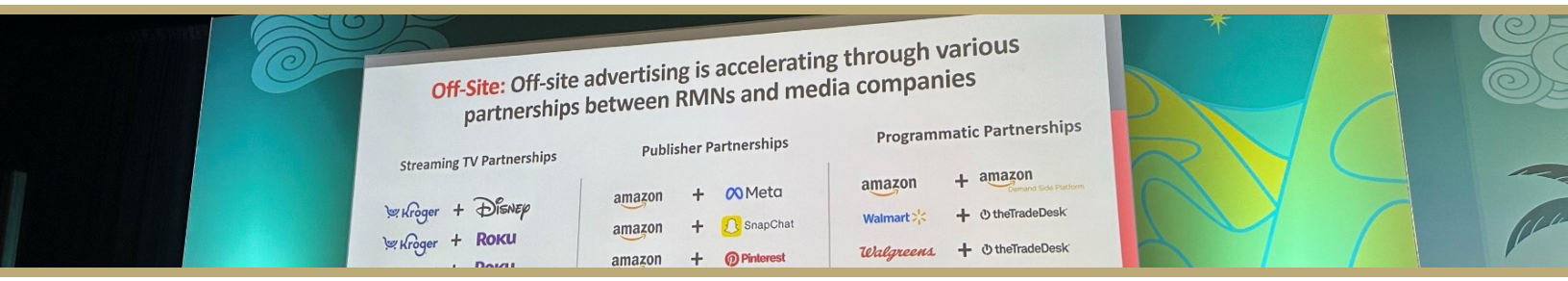
KEY TAKEAWAYS

Retail Media Network news around the industry:

- One of the bigger RMN headlines from Shoptalk was Google officially entering the "off-site" retail media space with a beta partnership with Lowe's, leveraging Google's Search Ads 360 product. This marks Google's first foray into the "direct" RMN space.
- Epsilon announced an evolution of its RMN platforms, Epsilon Retail Media, with a focus on bringing deeper AI and person-first identity solutions into its existing and new Retail Media solutions.
- Meijer also announced expanded closed-loop measurement for on- and off-site display, emphasizing the focus that CPG brands continue to place on RMN measurement and reporting solutions.

CTV, CTV, CTV…

- In almost all of my conversations with the largest RMNs at Shoptalk, Connected TV was a key focus for increased media investment. Retailers have continued to expand their video offerings through a mix of programmatic and direct video inventory partnerships.
- But as RMNs look to be a destination for brand/national media dollars, establishing the use cases for RMN CTV in a brand's overall media mix will be increasingly important. RMN CTV will likely never be able to compete on efficient CPMs vs national media. However, RMNs can provide effective reach through robust, purchase-based targeting and closed-loop sales measurement. In my opinion, RMN CTV is not an "either/or" but a "yes, and…" to a brand's existing video strategy. Over the next few years, brands and agency partners should begin to test and learn to understand the right mix.



Shoptalk and
Retail Media's Next Chapter

Zenith
The ROI agency

KEY TAKEAWAYS - CONTINUED

Is Retail Media at another inflection point?

- One Shoptalk panel suggested a growing gap between how RMNs believe they are doing and how brands/agencies perceive them. This theme played out in a lot of my conversations in and around Shoptalk as well.
- JBP fatigue feels palpable. While the total "media pie" is not growing for many brands, the asks from existing and new RMN's continue to grow.
- Despite RMN's proximity to purchase and closed loop reporting, there are still gaps in shoppable components from RMNs vs the solutions available direct from national media partners – especially in social. However, more self-service social solutions seem to be on the 2024 roadmap for many of the leading RMNs.
- Third party tagging and measurement for RMNs has gotten better over the last 12-24 months, but continued improvement is needed when it comes to on-site viewability tracking, closed-loop reporting for all RMN media, and real-time media performance access (via API or similar).

With Retail Media's continued expansion, there are more retailers and channels to consider than ever before. Marketers should not only think about RMNs for driving conversion but as also places to build and create brand demand--reinforcing a growing need to consider and plan all media holistically. ◆

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