



COMMERCE FUTURES 2022

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INTRODUCTION

Over the course of the last two years, we've experienced a COVID-19 driven acceleration of digital take-up among consumers. With necessity being the mother of all invention, we've seen new businesses and services emerge, and a new breed of consumer appear. Across all age groups, consumers will never again shop in the same way. As a consequence, we now look into a future of infinite shopping possibilities.

It is, therefore, imperative that businesses approach commerce with a more open mind, and plan over a much longer trajectory. Decisions and investments made now will define whether businesses are able to meet the needs of the consumers of the future.

With this in mind, we present to you Commerce Futures 2022. It offers a view into some of the trends that will form the backbone of consumer demand over the next decade; a decade which we hope will be full of innovation and excitement – and devoid of damaging pandemics.

Happy 2022!



HUGH FLETCHER

GLOBAL MARKETING DIRECTOR
AND THOUGHT LEADERSHIP LEAD



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SPACE COMMERCE – A GIANT LEAP FOR ENTERPRISE

Space... the final frontier. A vast, infinite place, much of it still beyond the parameters of our comprehension. Yet we are seeing audacious new moves to visit and commercialize space led by the “astropreneurs” – larger-than-life, ultra-wealthy figures like Musk, Bezos and Branson. We’re also aware of plans to advertise in the night sky using nanosatellites, fly tourists into space, and projects to provide earth-bound services from outer space.

Presented to us as pioneering, the more you delve beneath the surface of the newly commercialized space race, the more you get a sense of the gains at stake for those who move first into this new, unregulated frontier. In an environment where there are no rules, those who get there first set the rules.

SO WHAT?

- Space commerce has started – don’t assume it will remain the domain solely of the super-wealthy elite in decades to come.
- If your competitors of today and tomorrow are working out how space might give them a competitive advantage, you need to be thinking about this, too.

Aiming to control space logistics and infrastructure is a politically and strategically shrewd manoeuvre, especially when we imagine a future where space might be used to build, warehouse and distribute products and services, as well as mine planets and asteroids for natural resources.

And while initially this will be very much a space-to-Earth play, in future, space commerce will evolve to space-to-space enterprise, as humans colonize planets.

But what do consumers think? While 55% would pay a premium for ‘exceptional’ products made in space, and 47% would be happy to take a job in space, 46% of consumers fear that space commercialization may be a destabilizing force for peace on Earth. And only 15% believe that the astropreneurs’ plans for space are for the benefit of mankind.

NEXT STEPS

- Download and read our report – [Space Commerce: A Giant Leap for Enterprise](#).
- Talk to [Shalina Ganatra](#) about our Blue Ocean strategy workshops – they may not define your space commerce strategy, but they will tell you what technological and organizational blocks you need to have in place to take your business to the next frontier.



POST-DEATH CONSUMERISM AND NEVER-ENDING SPENDING

What defines a shopper? The ability to make purchasing decisions? The ability to spend? To have funds at your disposal? All of these traits are possible without having to be a living, sentient being. Or, at least, no longer being a living, sentient person.

No, we're not talking about some kind of spiritualist commercialization of the afterlife. It's all to do with Artificial Intelligence (AI). By identifying patterns in our spending, we already know that AI can easily build up an amazingly accurate picture of the consumers we are and the purchasing decisions we make. You only need to be part of a subscription service to know how precisely re-purchasing data can be used.

On the other hand, over the last few years we've seen examples of the dead being brought to life by AI... at least virtually. Look at the hologram of Kim Kardashian's deceased father created for her 40th birthday.

SO WHAT?

- The definition of a consumer is changing, and the concept of consumption, too.
- Your marketing must appeal to decision-making AI, not just decision-makers.
- Think about loyalty. Locking consumers into your brand during their lifetime is even more important if they can keep spending even after death.

It's not a huge leap to put these two applications of AI together – its ability to model our personalities and habits through data, and to virtually resurrect us as digital avatars. Load an individual's personality database into an avatar, attach a decision-making AI and connect it all to a bank account – and hey presto, you have a brand new type of consumer capable of continuing to make purchasing decisions even after a person's death.

But would consumers be interested? You betcha – our global Future Shopper survey tells us that 44% of consumers said that they would be interested in spending from beyond the grave, with the most interested consumers being those in Thailand (4 in every 5 consumers). But to what purpose? Most of the interest focuses around family, either continuing to provide for them after death, or keeping the bond alive with things like buying birthday gifts.

NEXT STEPS

- Talk to [Daniel Hulme](#) at Satalia about how AI may change your consumers.
- Better still, discuss with Daniel how AI can revolutionize your company through new efficiencies, optimization and smarter decision-making.



PARANOID PURCHASING AND THE DEEP-FAKING CRIMEWAVE

Whatever you say about the handling of the COVID-19 pandemic, in one respect, governments the world over have been very successful – in creating paranoia. And as we know, paranoia is fueled by fear.

It may sound strange to say it, but fear presents commercial opportunity. It is something security companies and new entrants to the security market have pounced on. We now see more security-related products in the market than ever before – just look at the growth of Amazon's Ring range for a (mass-market) start!

But is this fear justified? In most countries, crimes such as burglary and assaults declined during the pandemic as people stayed at home and off the streets at night, albeit naturally they have started to increase as lockdowns have eased.

Yet, the real cause for alarm for most of us is the threat of cyber crime. Alongside hacking and malware, fraud and con-artistry have long been key weapons in the cyber criminals arsenal. Take the

example of spoof emails used in so-called phishing attacks to trick people into handing over data, arguably the most common form of cyber crime.

Thanks to technology, the ability of digital fraudsters to blur the line between what we think is real and fake is growing all the time. Driven by the kind of immersive digital experiences created in video games, realistic image filters, automation of human tasks, and voice mimicking, AI-powered 'Deep Fakes' are on the verge of becoming so good that it will be almost impossible for people to tell if an image is real or not, or even if the person you are speaking to on the phone or via Zoom is really them or a digital imitation.

Where there is uncertainty, there is opportunity... certainly for those seeking criminal gain. It could take the form of a new type of phishing, or identity theft, or it could even seep into the world of large corporations and politics. Could social platforms use this new technology to influence the behavior of their users? In fact, haven't we already heard this accusation when it comes to "fake news"? Deep Fake tech just takes it to the next phase.

SO WHAT?

- **Consider your crisis management and contingency plan if your business got hit by a damaging Deep Fake such as an inflammatory post on social media. How would you counter this?**
- **Understand more about how AI will revolutionize our society as well as your industry.**

NEXT STEPS

- **Connect with [Clive Harris](#) about security and threat modeling to protect your online estate from cyber crime.**
- **Speak to [Daniel Hulme](#) about how we can help your business address deep fakes and the threats and opportunities of communicating in an AI-driven world.**



BANK AND SPEND WITH YOUR FAVORITE MARKETPLACES

A staggering 31% of the global population remains unbanked. In a world ravaged by COVID-19 and with shopping habits skewed heavily towards digital, this is a real issue, at least online. This is why we've seen the growth of challenger banks, messenger apps like WhatsApp trying to replicate the WeChat payment model, and aggregators who have integrated payment solutions into their apps.

As consumers have changed, the traditional banks appear out of step and ever more antiquated in their approach. And with more consumers favoring compressed commerce (the ability to transition from inspiration to purchase as quickly as possible), integrated payment providers are ideally placed.

The growth of these new banks and integrated payment solutions seems to imply that if you can help the consumer spend, then they are more likely to spend with you.

We wanted to test just how far consumers were prepared to go with this. So, we asked them if they would be happy to bank with their favorite marketplace. An amazing 54% of consumers said that they would be happy to bank with a marketplace. The country most eager to do this was Thailand, where 81% of consumers responded positively to the idea, with China next on 76%. Europe, meanwhile, posted a much lower 34%.

With the likes of Amazon wanting to sell everything from A-Z, an Amazon bank may just be another step towards marketplace domination. With marketplaces the world over currently accounting for 42% of all online spending, what might they account for if they control consumers' money, too?

SO WHAT?

- As we seek to minimize the time from inspiration to search to transaction, rapid payment is vital.
- Businesses competing with marketplaces must ensure that payment solutions are quick, easy and seamless.

NEXT STEPS

- Talk to [Aimee Pierce](#) about Amazon's plans in this space.
- If you're interested in LATAM, speak to [Glenda Kok](#) about the FinTech landscape there.
- Connect with [Rachel Smith](#) from our CX team about options to streamline your payment process.



Borrowing, interest rates, APRs... did anyone learn about this useful stuff at school, or were we being bogged down with algebra and equations? But where education is lagging behind in teaching children about money, enterprise is stepping in.

Over the last few years, we've seen a proliferation of debit cards for children and tweens, with now familiar names like Greenlight, GoHenry and RoosterMoney creating a buoyant market. There is now a huge opportunity for brands to partner with these financial companies to gain access to Generation Alphas. With the right special offers, discounts and exclusive products made available to these young card users, businesses can create brand loyalists and advocates early.

SO WHAT?

- **Get to grips with the next generation of consumers and how they are being conditioned to shop.**
- **In turn, understand how this should influence your long-term commerce and tech strategies.**

And let's be clear – our youngest children today are being conditioned to make purchase decisions, even if they're not necessarily spending their own money. They see opportunities to buy digital products flashed before them within games, they see their parents buy on the same devices they use to play, and they have their expectations shaped by instant downloads, or at least the super-fast fulfillment standards set by Amazon,

From financial products designed for children to constant commercial exposure, we can see young people maturing into prolific and educated consumers earlier than ever, and also developing expectations that brands will need to meet from a younger age.

NEXT STEPS

- **Speak with [Tom Lancaster](#) from our CX team about the shopping journeys and experiences that appeal to younger consumers.**
- **Download our [Generation Alpha](#) report which offers valuable, research-backed insights into the future generation of consumers.**



GAMING COMMERCE – IT'S MORE THAN JUST A GAME

Gaming has been one of the beneficiaries of the COVID-19 lockdowns, becoming an integral part of many people's entertainment and social lives. In fact, our research tells us that 55% of gamers view gaming as an integral part of their life. And the lines between game worlds and reality are blurring, with 41% of gamers considering their avatar to be part of their real-life identity.

This is something that has not gone unnoticed by many brands, and presents a huge opportunity.

52% of gamers have spent money on in-game items like cosmetics and skins. However, we shouldn't just see the

opportunity as being exclusively digital, because 51% of gamers would LOVE to buy real-world items, like clothing, from within a game, and then have them posted to them – making for an omni-reality, not just omni-channel, experience!

Brands currently absent from gaming are clearly missing out, because 56% of gamers said that they are more likely to buy from a brand that features in their favorite game.

And don't be fooled into thinking this is just about kids requesting in-game currencies rather than pocket money. We know kids love gaming, but so do grown-ups. Across our survey, it was frequently the 35-44 year-olds that showed the most appetite to engage in omni-reality purchasing.

Furthermore, don't think this is a niche domain – more than \$50 billion was spent on additional in-game content alone in 2020.

SO WHAT?

- Where consumers engage with products and brands is no longer restricted to the physical world.
- In-game and in-metaverse purchasing is set to rise, offering a serious revenue opportunity for businesses.
- The type of products consumers want spans both physical and digital; businesses should consider how to meet these dual demands.

NEXT STEPS

- Talk to our gaming commerce expert [Naji El-Arifi](#) about how to integrate gaming into your strategic plans.
- Enter the metaverse and find out what this means for your brand by engaging with [Emma Chiu](#) from Wunderman Thompson Intelligence.
- Get the [Gaming Commerce](#) infographic.
- Download our [“Into The Metaverse”](#) report.



BUCKET-LIST BUYING AND THE “POST-COVID GRATIFICATION WAVE”

Over the last couple of years, most people around the world have suffered from on-again, off-again lockdowns. In general, businesses have responded well to these changes, quickly scaling up their delivery-to-home operations – witness the rise of the aggregators like Deliveroo and JustEat.

Yet, while deliveries to our door provided us with the goods we needed, most of us were still left bereft of the experiences that we desired. After all, receiving something in the post within 24 hours is no replacement for a couple of weeks in the sun, or watching your sports team win a match in the middle of a crowd in the stadium.

The result of this is pent-up demand for experiences. Denied them for so long, consumers are now happy to spend over the odds to get out of the house, socialize with friends, to holiday and generally

just enjoy the things we once took for granted. This is set to see an explosion in spending amongst some of those industries that have suffered most during lockdowns, such as hospitality and travel.

It also means that those businesses that can create more engaging online experiences will stand out. Elsewhere in this report, we talk about livestream commerce, but additional UX (user experience) tools can be used to bring products and brands to life – be that through video content, editorial, or imagery.

And let's not forget that, as consumers, we love to treat ourselves, with one in three of us using Black Friday as an opportunity to self-gift.

In a world still experiencing PTSD from COVID-19, there has never been a better time to encourage consumers to treat themselves – we really do deserve it, right?!

SO WHAT?

- As humans, we crave experiences, and we've been deprived of many of the most enjoyable and rewarding ones since early 2020.
- Ensure that wherever consumers are interacting with you, you are giving them the experiences that they crave across all channels.
- Don't overlook senior consumers! Those aged 55+ are among the highest spenders of “big commerce” items and experiences.

NEXT STEPS

- Talk to [Tom Lancaster](#) from our CX team about how to engage consumers with the best online experience possible.
- To learn more about the high-spending consumer demographic aged 55+, download our report “[The Forgotten Shopper](#)”.



AGGREGATOR AGGRESSORS

One group of businesses that really took advantage of the lockdown were the aggregators, most notably the omni-channel aggregators like Deliveroo, JustEat, Rappi and so on who span the physical and digital world.

Depending on the region, aggregators now account for anything between 7% and 14% of online sales, with LATAM posting the highest figures.

Aggregators have succeeded in fusing together convenience, speed and communication into an easy-to-use, highly rewarding experience, and have addressed some of the key friction points consumers complain about – payment, tipping, updates during the waiting phase. And in parts of LATAM and APAC where bank account penetration is low, they've also implemented purchasing options by linking up with start-up banks and FinTech companies.

While the consumers benefit from access to a much wider range of products and food at home, there are some far-reaching implications of this shift to aggregators.

For a start, aggregators now own the interface consumers use to purchase (i.e. the apps) giving them control over the customer journey and the freedom to push the offers and products that they want to push.

At Wunderman Thompson Commerce, we've said it oftentimes; if you own the interface, you own the customer. If you own the customer, you own the data. If you own the data, you own the future. And we can see this already. Brands and restaurants are no longer engaging with many of their consumers – they no longer own the experience, but simply provide the product. When it comes to the restaurant trade, the apparition of ghost kitchens signal a changing of the guard.

SO WHAT?

- Understand what impact the aggregators are having, and might have on your industry, on your products and your services.
- Learn from what they do well – notably making life simple for the consumer by providing range, ease, speed, convenience and fulfillment without friction.

NEXT STEPS

- Audit the end-to-end journeys of your customers to assess what parts you can control and enhance – speak with [Tom Lancaster](#) about detailed journey mapping.
- Speak to [Rachel Smith](#), our Director of Customer Experience, to assess and tackle the friction points in your service offering.



THE ENVIRONMENT VS SERVICE CONUNDRUM

Ask a consumer if they want to protect the planet and the answer is a resounding yes. Ask them whether sustainability drives their decision-making and it's also affirmative. But ask them if they want their deliveries to arrive within 24 hours, and the answer is invariably “hell yeah”.

We tend to hear about these demands in isolation and not in tandem, yet in reality, they must co-exist. Consumers want greater range, ease, speed and convenience, but they want this from companies that are environmentally and ethically sound.

Businesses therefore need a multi-pronged approach which spans their strategic position on sustainability, how they source and manufacture their products, their communications strategy, their services and the efficiency of their supply chain and logistics.

Some of the stats show just how important and conflicted this issue is. 60% of consumers say they actively choose a company because of its ethics, and 71% wish that brands and retailers had better environmental practices. On the flipside, 30% of global consumers want products to arrive within 24 hours and, when asked for the one thing they would change about deliveries, 48% said they wanted them to arrive faster – compared with 22% who said they wanted deliveries to consider the environment more. Clearly, as consumers, we want our cake and we want to eat it.

However, fear not – there is a way of having the best of both worlds. Product design, process redefinition and communications all have their role to play. As does AI, which can accelerate the process of sourcing, manufacturing and distributing goods, and optimize the vital matter of delivery, to the planet's and business's benefit.

SO WHAT?

- Consumers care about sustainability, yet few companies know how to meet their needs with tangible action. Don't be one of them.
- Every business needs a clearly defined and communicated sustainability strategy, supported by class-leading services which are efficient and environmentally friendly.
- Assess your business to discover where you can not only offset, but reduce, your carbon emissions.

NEXT STEPS

- Talk to [Ruth Zohrer](#) about how our new [Sustainable Commerce Practice](#) can support your organization to reduce the carbon footprint of your digital commerce offerings.
- Speak to [Paul Hart](#) and [Laura Weis](#) who can tell you how we're applying AI to make deliveries more efficient and to optimize workforce allocation.
- Download our [“Sustainability, Ethics and the Modern Shopper”](#) report.



BRAIN-COMPUTER INTERFACE AND ZERO-UI

We have talked in the past about how the natural end for zero-UI – controlling digital functions without a screen – will be the brain-computer interface. However, what we have not talked about is how that is going to change our relationship not just with computers, but also the world around us.

First off, more and more devices are now connected, computerized, ‘smart’ – from doorbells, locks, TVs, refrigerators, even mirrors and mugs. Computers are increasingly all around us, gradually acclimatizing us to the idea of everything being part of (and controlled by) one big supercomputer.

Given this trajectory, it’s hard to imagine that, in the future, computers won’t be everywhere, ready to do your bidding, better

at understanding you than you are of yourself. Follow that logic, and you see a world where heating will switch on just before you feel cold, where, as you start to fall asleep, your lights will dim and turn off. With a brain-computer interface, simply by thinking about something that you want to do, your personal assistant will add a reminder to your very own personal cloud.

This will also fundamentally change our relationships with computers, as we will be connected to one at every moment. But what does this mean for commerce? Well, every moment in a person’s life will become a shoppable moment. All future shoppers will have to do is wish something and it will be added to their basket, or say out loud that they want more information about something, and that information will be delivered. We call this ambient computing, in other words an environment of data, AI, smart devices and humans interconnected seamlessly.

SO WHAT?

- The age of zero-UI is upon us. Its potential is vast and it comes with a low barrier to entry which will help it become mainstream.
- It’s time to consider your brand in the context of zero-UI. What does it sound like? How are you taking advantage of voice commerce? Do you have a zero-UI strategy in place, with brand guidelines?

NEXT STEPS

- Talk to [Naji El-Arifi](#), to explore zero-UI and what you could be doing to take advantage of this technology today.
- Speak to [David Moloney](#) to explore how connected ecosystems in your business can generate smarter decisions and outcomes.



RETAILERS AS MEDIA GIANTS

Retailers are often dealing with paper-thin margins. Finding alternative revenue streams is, therefore, vital. So, what do you do when you have a huge number of brands, selling a huge number of products, to a huge number of consumers who are all searching for the right product?

You monetize search.

With 38% of global shoppers searching for products on Amazon, 35% searching on other marketplaces, and 25% searching on retailer sites, that's a lot of eyes that can be drawn to products through advertising, and a lot of revenue that can be made as a result.

And with consumers trying to get from inspiration to purchase as quickly as possible – what we call “compressed commerce” – combining advanced targeted advertising with search can be an effective way of getting consumers to products fast.

SO WHAT?

- Consider creating a marketplace of your own.
- Understand the various advertising opportunities that you have across marketplaces and retailers.

Amazon's media business is growing at c.80% YoY, claiming over 10% of the US ad market in the last year and accounting for c.\$21.5bn a year. And it's not just Amazon reaping the rewards; Walmart's advertising accounted for £1.55bn, a 54% growth, while the likes of InstaCart are also looking into how to copy this new retail model.

With more retailers creating their own marketplaces, this trend looks set to continue.

What if you're not a retailer or a brand that can monetize search? That most likely means you're a retailer or brand that needs to use these channels to advertise. Once again, retailers must evolve to survive and thrive in the modern retailing world.

NEXT STEPS

- Talk to [Chioma Anokuru](#) or [Nils Kijkuit](#) about creating a marketplace of your own.
- Talk to [Helmut Reider](#) about optimizing your ad spend and efficiencies on Amazon.
- Talk to [Kiessé Lamour](#) or [Aimee Pierce](#) about retail media networks and creating the right media plan for you.





LIVESTREAM COMMERCE

Bringing together the world of entertainment and commerce, livestream commerce is a trend set to explode this year in the West, with Amazon, TikTok and Walmart already onboard.

Firmly entrenched in China and the East, livestream commerce is like a digital reload of the TV shopping channel, combining live online video broadcasts with instant shopping eCommerce capabilities.

It is generating significant revenue for retailers, brands and online influencers alike. So-called 'Lipstick King' Austin Li Jiaqi, one of China's most prominent eCommerce livestreamers, reportedly sold \$1.7bn worth of goods in 12 hours on Alibaba, while Viya, another livestreaming influencer, racked up \$1.25bn in sales in 14 hours!

Livestream commerce shakes things up for consumers too...

It replaces the more transactional nature of online purchasing with something more entertaining. During sales events like Singles' Day,

exclusive deals drop 'live' and can be grabbed immediately by the watching audience. It is also addictive, particularly during peak selling periods, where viewers receive fan points for time spent watching which unlock even better deals.

Changes are already afoot in this nascent market, with more brands bringing their livestream capabilities in-house and away from less loyal and expensive celebrity influencers.

So, what really is the appetite for livestream commerce? Globally, 11% of shoppers said that they would engage with it, with the number a significantly higher 17% in APAC.

This model comes with a caveat. With it comes a new generation of influencers and sellers forced to post daily by algorithms which penalize them when they don't upload, creating "slaves to platforms". We must also be vigilant that younger consumers – already so heavily influenced by online sellers – do not get sucked into a virtual world which can easily drain them of their time and money.

SO WHAT?

- Understanding the key platform and opportunity for livestream commerce is vital.
- Think about how livestream commerce could be integrated into your sales and marketing offering.

NEXT STEPS

- Talk to [Chloe Cox](#) about how to harness the possibilities of livestream commerce.
- If your focus is in APAC, speak to [James Bay](#) or [Justin Peyton](#) who can help with market entry and laying the foundations for success.

LIVE

54.4k



RE-USE AND RE-COMMERCE

Second-hand buying is becoming increasingly popular as consumers look for ways to balance their consumer habits with a more ethical outlook. Spurred on by issues like the ‘fast fashion’ forced labor controversy and desire to reduce their carbon footprint, 67% of shoppers now say that ethics plays an important role in their purchasing decisions.

Enter re-commerce. The rise in popularity of re-sale apps such as Depop and Vinted proves it's a burgeoning market that has now evolved far beyond the traditional second-hand territory of charity shops and thrift stores. There is significant revenue potential in many mainstream retail categories.

72% of fashion shoppers we've surveyed have either already purchased second-hand goods or would consider it.

SO WHAT?

- **Consumers are more likely to purchase pre-loved items than ever before.**
- **Set-up a second-hand “hub” in your physical stores.**
- **Give consumers a means of trading in their pre-loved clothes or furniture for store vouchers/ gift cards.**

The pre-owned and refurbished smartphone market is seeing double-digit year-on-year growth while new handset sales flatline. Even the big manufacturers like Apple and Samsung are now selling refurbished phones via their branded D2C channels. Our client IKEA is one retailer already tapping into the re-commerce market. The popular homeware brand recently launched a new circular hub in every store across the UK, where customers can buy pre-loved or ex-display items in-store or online via Gumtree.

Online retailers can take advantage of the benefits of re-commerce by adding a “pre-owned” section to their website, like Farfetch has done, allowing consumers to sell, donate or even repair second-hand items. Alternatively, offer a buy-back scheme, like IKEA and Levi's, where consumers can trade in pre-loved items for gift cards and vouchers, encouraging them to purchase from the brand again.

Not only will this encourage those who have a passion for reusing and upcycling to visit your online or physical store, it will also improve consumers' perceptions of your brand.

NEXT STEPS

- **Contact [Elizabeth Hess](#) to talk to our tech architects and CX team about setting up a pre-loved area on your retail site.**
- **Consider selling secondhand items via an owned marketplace channel or on an established marketplace. Connect with [Nils Kijkuit](#) or [Raghbir Rana](#).**
- **Download our “[Sustainability, Ethics and the Modern Shopper](#)” report.**



VIRTUAL WORLDS... WHERE EVERYONE IS MASTER OF THE UNIVERSE

In our Generation Alpha survey of 6-16 year-olds conducted in 2019, we stumbled across a fascinating stat – that 15% of these youngsters wanted to buy products directly from influencers. At the time, the surprise was that young people should see these figures not just as a source of inspiration, but as brands to engage with commercially.

Fast forward to 2022, and that stat and insight doesn't seem quite so jarring anymore, with more and more online influencers creating their own brands and merchandise, and no longer relying on brands and retailers to support them.

But there has been another significant development. The metaverse is a next-generation digital concept that allows people to create their own virtual worlds. Combining elements of video gaming, VR, AR and other technologies to create persistent 3-D virtual environments that communities of users can 'live' in, it's a fascinating idea in its own right.

SO WHAT?

- The metaverse is here, and it's set to grow and have a major impact across many areas including retail.
- It offers a great opportunity to develop products in the digital world and will inspire many cross-chain possibilities as the virtual economy grows.

But one of the most intriguing aspects is the ability to monetize these new virtual worlds. In brief, if you can create a virtual community interacting in a virtual environment, why not add to the sense of a complete alternate reality by selling digital and physical products?

Who do you think is best placed to take advantage of the commercial possibilities of the metaverse – the high-street giant still trying to strike the balance between physical retail and eCommerce, or the digital-native influencer who has already built their brand in the virtualized communities of social media and online video? I know where I'd put my money.

And just in case you were thinking that this all sounds a bit niche, then think again... our recent research into gaming commerce found that consumers are already spending on average £150 a year on both digital and physical products bought in these increasingly immersive digital realities.

NEXT STEPS

- Download the [“Into the Metaverse”](#) report and talk to [Emma Chiu](#) about how the metaverse will change the future, consumers, brands and retailers.
- Get the [Gaming Commerce](#) infographic and talk to [Naji El-Arifi](#) about how gaming can become an integral part of your commerce strategy.
- Speak to [Chloe Cox](#) about establishing links with influencers and gamers and working together on products and services.



WE KEEP ON RETURNING TO RETURNS

Listening to the news in 2021 about driver shortages, the lack of availability of micro-chips and shelves lying bare, you'd be forgiven for thinking that delivery and availability were the main factors when it comes to consumer satisfaction with online shopping. And to a degree this is right; data from our Future Shopper survey indicated that the number one thing that consumers would change about online shopping was faster delivery.

Yet this is only part of the story. Because in the top five things that consumers would change, we also found "free returns" and "easy returns".

SO WHAT?

- The returns process should be easy, quick and free.
- Consumers should not be made to feel guilty or uncomfortable about the process of returns.
- Get it wrong, and consumers will give up on you... even if the product, the range and the delivery is top notch.

Just think about your own personal experience – traipsing down to your nearest post office with a package is rarely a welcome excursion. Even using a more local drop-off location such as a convenience store, still comes with an unwelcome friction factor. But leaving your package outside your front door for someone to pick up – well that's the type of low-engagement and high-contentment returns process we can all get along with.

Sure, returns have been the bane of online sellers' lives (and bottom lines) since online selling began, but with consumers telling us 51% of their shopping will be online in a post pandemic world, returns are going to become a source of frustration for consumers, and a bone of contention with retailers.

NEXT STEPS

- Talk to Rachel Smith, our Director of Customer Experience about identifying what works and what doesn't with your current returns process.
- Speak to our client consultants who can work with you on improving this process – including people, technology and partnerships.
- Speak to our AI experts about how AI could minimize your returns rate and improve your returns process.

A black and white photograph of a modern building with a corrugated metal facade. A large sign is mounted on the roof, reading "WHEN WILL YOU RETURN" in bold, capital letters. A person is visible on a scaffolding or ladder near the bottom of the building, providing a sense of scale.

THE RACE IS ON IN COMPRESSED COMMERCE

Consumer demand for a lightning-fast digital shopping journey has helped to fuel the domination marketplaces now enjoy over global online spend.

A huge 80% of global shoppers want to get from inspiration to transaction as quickly as possible. Marketplaces deliver. They allow consumers to complete entire shopping journeys – from inspiration, to search, to selection, to transaction – on the same platform, all within the space of seconds.

We call this super-fast transition from inspiration to transaction “compressed commerce”. And the pace is only going to pick up in years to come.

The emergence of on-platform purchasing, which embeds commerce functions like shopping carts and checkout directly into non-commerce sites, will be the next big leap forward. By replacing the need to click through to a separate commerce site, on-platform purchasing will significantly reduce friction and time when consumers use the likes of social media to shop.

Worldwide, 56% of consumers we surveyed told us they intended to shop more through social media in the future. 31% said they would be encouraged to do so if it was easier to buy through social platforms.

But radically compressing shopping journeys is a challenge. It requires multidisciplinary, multichannel solutions. It requires a total rethink of many facets of eCommerce. How and where are consumers attracted? When they come to us, what is the most efficient way of getting them to search and find the products that they want? How can we ensure that the transaction is as speedy and friction-free as possible?

It's vital that D2C brands address this, because the attrition rates are frightening. Whilst 25% of consumers will search for products on a brand site, just 8% go on to purchase.

SO WHAT?

- **The bottom line is faster eCommerce sites make more money and increase customer satisfaction.**
- **Site speed and relevant, personalized content are key components in moving consumers quickly from inspiration to transaction.**
- **On-platform purchasing will turbocharge the trends for compressed commerce.**

NEXT STEPS

- **Talk to our [CX consultants](#) to audit your customer journeys, and identify and fix areas of friction.**
- **Speak to [Chloe Cox](#) about the vital role social media can play for your business in compressed commerce.**
- **Download our report “[Compressed Commerce](#)” to help lay the foundations to win fast online.**



REMOVE THE PAIN THROUGH SMART SUPPLY CHAINS

The consumer desire for a speedy online journey doesn't end at purchase. With 76% of global consumers expecting their online order to be delivered in less than 3 days, last mile delivery can make or break a shopping experience for the customer, so businesses need to get it right first time.

But throw the ongoing HGV driver shortage, the ever-present COVID-19 threat, fuel supply turbulence and increasing sustainability expectations into the mix, and fulfillment suddenly gets a lot more complicated.

Enter AI, the supply chain's fairy godmother. AI can be harnessed to powerful effect when seeking to allocate resources in the most efficient way possible, and that's at the heart of many last mile logistics issues.

SO WHAT?

- Last mile delivery is arguably the most important part of the customer journey, and businesses need to get it right first time.
- AI can optimize the entire supply chain, proving significantly beneficial to both businesses and their customers.
- Consumers actively want businesses to be more innovative – investing in AI is a great opportunity.

Using data to optimize the delivery route, van space, allocation, warehouse infrastructure and staff shift patterns saves both time and money. It also solves challenges that, quite simply, are beyond the powers of human reasoning. For example, if there are 60 delivery points on a map, there are more possible combinations of routes than there are atoms in the universe! Try working out the most efficient route without AI.

Any point of friction within the supply chain presents an opportunity for AI. What's more, 66% of consumers globally told us that they wished brands and retailers were more innovative in how they use digital technology to improve the shopping experience, so there's clearly an appetite for businesses that are prepared to embrace innovative tech-led solutions. With AI set to streamline the entire supply chain, the time to invest is now.

NEXT STEPS

- Think about the pain-points and processes in your supply chain that you'd like to improve.
- Speak to our AI experts at Satalia about how AI can help address these pain-points, and to develop a bespoke AI solution.
- Connect with [Rachel Smith](#) to initiate journey mapping to identify friction points on your multichannel customer journeys.



THE PHYSICAL STORE IS DEAD, LONG LIVE THE PHYSICAL STORE

With all the reporting around the transition to online shopping, you'd be excused for thinking that physical shopping was doomed. Even our own numbers tell us that in a post-pandemic world, consumers expect 51% of their spending will be online.

So, that means that physical retailing heading into a death spiral, right?

Not so fast! Whilst telling us that their online spending will increase, 64% of consumers are also affirming that they want retailers to be both digital and physical.

When we examine our Future Shopper data from 2020 and 2021, it presents a very clear picture that consumers, whilst appreciating

the benefits of online shopping, have missed the social elements of physical shopping. It supports the supposition that shopping in-store is less about the transaction, and more about the experience.

It's no surprise, then, that the likes of Amazon and Alibaba have invested in physical stores.

The challenge, of course, is how well integrated the online and offline channels are. 59% of consumers want seamless communication across all channels, be that the website, social media or in-store – and this is not easy.

It's imperative that retailers make physical shopping as rewarding as possible. When consumers can find range, ease, speed and convenience online, then to go in-store means making an effort. So, there has to be a pay-off – a shopping experience that is fun, innovative, inspirational and memorable... as well as connected.

SO WHAT?

- **Don't write off physical shopping just yet. The old in-store rulebook and formulaic physical offerings require a revamp, however.**
- **Consumers crave innovation in their physical shopping experience.**

NEXT STEPS

- **Speak to Glenda Kok about OTO (online to offline), Wunderman Thompson's tool for sales advisors which provides a 360 degree view of shoppers.**
- **Talk to Adonis Themistokleous about how to ensure that consumer data can be easily shared across various channels.**
- **Speak to Randy Kohl to help shape a perfect hybrid of digital and physical retail.**



TWIN IT TO WIN IT

Every action has a consequence. The problem is, you don't always know what it will be. If I eat that donut, just how many pounds will I put on? If we invest in that technology, how much more efficient will our business be? If we shift spend from CX to advertising, what will be the outcome?

While we might not be able to always predict consequences with absolute precision, we do now have the ability to effectively model potential outcomes with a high degree of accuracy. And one of the key ways Wunderman Thompson is doing this is via the creation of “digital twins”.

A digital twin is a real-time virtual representation or counterpart of a physical object, system or process, that is updated with real-time data, and uses simulation, machine learning and AI reasoning to help decision-making. Or to put it another way, it's A/B testing on (algorithmic) steroids.

SO WHAT?

- Digital twins can promote better predictions and actions, minimizing the risk of costly outcomes.
- Digital twin technology is already used across the IoT industry and is spreading to physical industries embracing more digitization.

The digital twin, or virtual model, can be used to run simulations, study performance issues and make improvements – all of which can then be applied to the physical object.

The introduction of digital twins could play a huge role in the future of commerce. They promote data-driven decisions, and armed with the right data points, they offer a business-level view that can be used for measurement, analysis and smart decisions across an entire organization.

Systems such as route optimization can be perfected and trialed on the digital twin before being applied to the real process, making the real process far more accurate when first applied, without the initial trial and error. It can also take friction out of the manufacturing process, which would increase the speed at which products are produced and distributed.

NEXT STEPS

- Speak to [Daniel Hulme](#) who can tell you how the development and application of digital twins can inspire better outcomes across your business.
- Consider the wider benefits of artificial intelligence to your business, and connect with [Satalia](#), our AI specialists.



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HOW NFTS ARE SHAKING UP MUCH MORE THAN THE ART WORLD

A non-fungible token is a unique digital asset that conveys ownership of a real-world item – think of a unique digital artwork, an essay, an in-game item, a limited edition fashion piece or an event ticket or coupon. NFTs convert these assets into digital tokens that can be stored, moved and traded through blockchain technology – typically Ethereum, the most popular blockchain and marketplace for NFTs.

More importantly, NFTs are changing the rules of ownership.

Transactions in which ownership of something changes hands typically means leaning on middlemen and third parties for validation. In future, this will no longer be necessary. Transactions conducted via blockchains are reliable without external authentication because all relevant information is automatically logged and cannot be changed.

There are countless ways this will change how we live and conduct business in the future. As we spend more of our lives in virtual worlds, the things that we purchase there will most likely be bought and sold as NFTs.

The rise of decentralized identity (DID) solutions will support this, too. Another application of blockchains, DIDs help users control and assert their digital identity independently. A DID holder can select what information they share with any other party, helping to protect their privacy. By deploying DID solutions with NFTs, buyers and sellers will be able to verify the creator of any given digital artwork, as well as the collector.

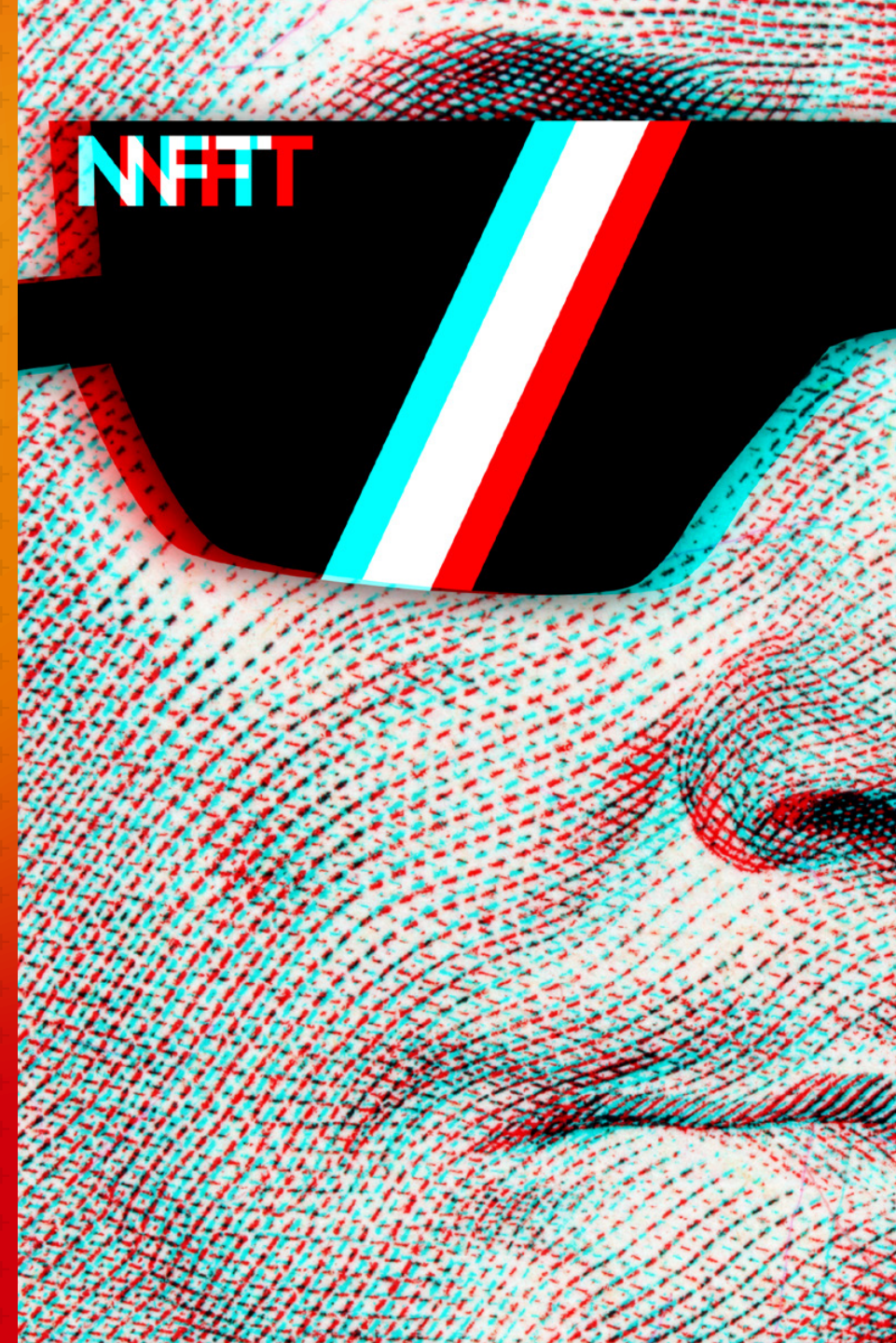
So where is this leading us? Well, that's not so easy to say. But these and other developments with blockchain technology are sure to create more decentralized economies, with more transparency and relationships that consumers – not businesses – control. Those who see this as a niche tech trend for specialist fields are likely to be left at the gates as things unfold.

SO WHAT?

- Review how you could digitize your products and services.
- Acquaint yourself with the benefits of blockchain technology and how your business could use it.
- Consider what a decentralized economy with more consumer control of ownership would mean for your business.

NEXT STEPS

- Talk to [Naji El-Arifi](#) to explore the digitization of your products/services and their potential for NFTs.
- Download the [“Into The Metaverse”](#) report and talk to [Emma Chiu](#) about how the metaverse will change the future, consumers, brands and retailers.
- [Sign up](#) for our report on Disruptive Technologies due out in May 2022.



ABOUT WUNDERMAN THOMPSON COMMERCE

At Wunderman Thompson Commerce we inspire people to transact.

Part creative agency, part consultancy and part technology company, we are unique in our ability to connect world-class strategic thinking and creative insight with deep executional capability across technology and operations to deliver winning commerce solutions across all major digital routes to market worldwide: marketplaces, online retailers, D2C, B2B and social commerce.

We are a diverse team of 1700+ commerce experts across more than 20 offices worldwide, who believe that growth through commerce begins with connected customer experiences that amplify the brand and drive business outcomes. We excel at orchestrating commerce touchpoints through intelligent deployment and integration of world class technology from strategic partners like Adobe, SAP, Salesforce, HCL, Shopify, BigCommerce & commercetools, as well as driving sales from marketplaces (Amazon, Tmall and beyond) and retailers.

Our clients include Bayer, Bosch, DFS, Johnson & Johnson, MAC, Nestlé, Sainsbury's, Selfridges, SharkNinja, Shell, Specialized, Tempur and Tiffany & Co.

Wunderman Thompson Commerce is a WPP agency, recognized as a Leader in The Forrester Wave™: Commerce Services, Q1 2021. More details on the achievement can be found [here](#).

For more information on Wunderman Thompson Commerce, please visit us at www.wundermanthompson.com/service/commerce and follow us on **Twitter**, **Facebook**, **LinkedIn**, and **Instagram**.

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