

THE FUTURE OF SHOPPING

The Philippine Star · 21 May 2018 · D4 · Email bongosorio@gmail.com. Thank you for communicating.

The world is going digital, fast. Dentsu Aegis Network, a multinational media and digital marketing communications organization that is innovating the way brands are built, projects that in 2020 we will transform from an information economy into a digital economy, and due to digitalization, business is experiencing and will continue to experience colossal transformation.



Today, we see an explosion of brands on the social space. On Facebook alone, 16 million brands are now present. Every brand from every category is on it competing for customer screen time and attention.

We are moving to the fourth Industrial Revolution, a phase where intelligence is transforming the customer experience, where every customer relates to smart, always-on devices and real-time interactions. It is the age of the customer and every marketer's challenge is how to connect to them in a whole new way. We need to capture real-time data signals, learn (natural language processing, machine learning and predictive analysis), and connect to our customers differently.

Donald Lim, CEO of Dentsu Aegis Philippines, states, "To be more digital is to be more human, whose attention span is dwindling. Digital is putting the user first, where their lives are touched, where closely knit relationships are fostered, and where nations are built." Embracing disruption. We need to create businesses that match the digital economy with flexibility and positivity. This means seeing opportunity where others see uncertainty, as we build personalized brand experiences that engage consumers in ways that are different and better than before.

To embrace disruption, Nick Brien, Dentsu Aegis' CEO-Americas, talks about the "three As": ambition, altitude and alignment. We must bring to life the "ambition" of companies to be industry leaders; the "altitude" required to become thought leaders, and the importance of "alignment" — for companies to have a diverse range of marketing services that can all work together.

"Embracing disruption is enabled by effective collaboration across a diverse range of skillsets, which is central to innovating new solutions," says Nick Waters, CEO-APAC, Dentsu Aegis. "Collaboration is enabled by giving greater opportunity and freedom for people to work together, where data and content will be critical to the future success of business. It also means transforming our business."

Giulio Maegori, CEOEMEA, explains, "Success in 2018 and beyond is dependent on strong leadership and accountability, as well as reducing complexity across organizations." The digital economy brings changes in shopper behavior. And this also includes new possibilities for targeting and engaging them. In a study on the Future of Shopping: Latest Trends in Retail Today and 2030 by Comarch and Kantar TNS, a thorough investigation was done on the prospect of retail shopping and customer expectations. Growth insights derived from the research are useful for content marketing. Here are some of them: Shopping behavior depends on age. Younger shoppers are

more open towards online shopping and digital offerings. The future sees a shift towards online shopping across categories — household equipment, appliances, and apparel, among many others.

A positive shopping experience generates retailer loyalty across channels. A negative shopping experience brings less impact and pushes non-repeat purchase or worse, brand switching. In consumer electronics retail, for example, a customer-centric and caring service provided by an in-store sales clerk is a critical loyalty trigger. Accurate, individualized offering is the biggest prompter for offline retailer loyalty, and even more so for online.

The biggest triggers for loyalty memberships are promotions, offers, and quality and quantity of rewards. Relevant loyalty triggers of younger age groups are also non-financial, such as product previews and gaming, among many other activators. And to loyalty card members, transparency in terms of usage of the customer's personal data is expected.

Recommendations for growth in a digital economy. Consider a cross-platform shopping experience and further improvement of cross-platform processes, considering age-related usage of smartphones. Retailers should start targeting younger age groups in relevant categories with both mobile and online services — stationary retail and online are both relevant target channels. The young age group will more often adopt to online, while the older ones will more often stick to offline. Engage consumers with personalized offers, concentrating communication on the benefits of digital services: support, customization, generation of savings and other financial advantages; and always aim to create a positive shopping experience to grow a loyal customer base.

Haley Doel notes that the buyer's movements to online shopping are changing the retail economy, putting pressure on retailers to broaden their reach with an online presence to support their brick-and-mortar stores. Taking on the global online marketplace means coming up against major players: the likes of Amazon, Walmart, Temple & Webster, Apple, Groupon, The Iconic and so many more. Whether established brands

or a new arrival, retailers need to influence the purchase decision to gain exposure, build a customer base and retain customers.

Brian Solis, a digital thought leader from the Altimeter Group, declares, "Small and large businesses need to understand how decision making is changing, where and what are the new touch points, what people value and how it's different than the past." 5 VISIONS OF SHOPPING IN 2030

Carat, the world's first media agency, which serves clients in 150 countries via a network of 10,000 talented staff, recently came up with a list of five visions of shopping in 2030, which is 12 years from now. But with the way marketing invades ecommerce, these visions will be part of our realities sooner rather than later, considering that almost every aspect of life is now an opportunity to shop or experience brands. Brands need to be available for purchase wherever their consumers expect them to be, and commerce is increasingly global where we now think beyond national boundaries. Nothing boring. Sensors around the home will track consumption of fresh and household goods and automatically send replacements. This means shopping will only be for things that are fun or interesting.

The delivery box. Though artificial intelligence (AI) and our past purchase history, a retailer will send us regular boxes of things to tempt us like new clothes — all to our

taste and size. We keep what we want, and they collect what we don't.

Personalization. Shops will recognize us as soon as we walk through mobile or other forms of identity, and give us a personal experience based on what the store staff knows about our past purchase history and tastes.

Dispersed shopping. Things to buy are scattered around public spaces such as parks, sports grounds and museums. For example, a shop will be spread out around a museum rather than just confined to its own area.

Community-oriented. Stores will become more like showrooms, playrooms and workshops, where people can try, borrow before they buy, or even just rent certain items.

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