DIGITAL SALES 2025

Trend report

Introduction

Digital is here to stay. Today successful firms are innovating new ways to engage their customers and create long-term customer value. At best, digital enables firms to reinvent their entire business model.

In this report, we look at the key trends shaping digital consumer sales across the five customer journey stages (awareness, consideration, decision, delivery & use, and loyalty & advocacy). Not only do we introduce relevant and exciting trends, but also examples of firms who have found success with these new approaches in recent years.

We hope that this report will inspire you to grab the new opportunities provided by digital and survive in the ever-competitive marketplace. While most of the trends that we present are directly actionable, some are presented as pure inspiration.

The trends are mapped onto a digital customer journey.

CUSTOMER JOURNEY MAP

Example of an online grocery store

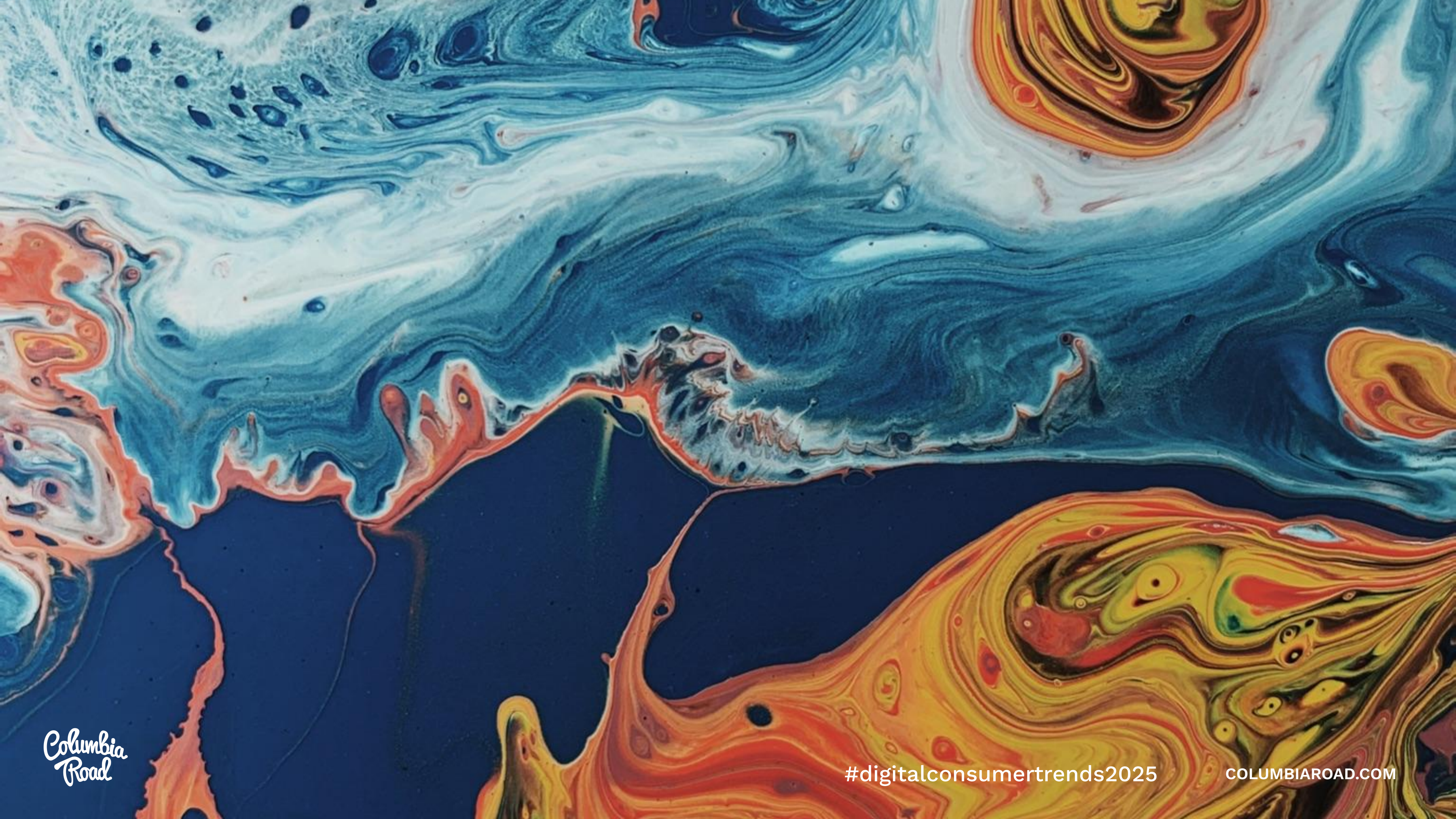
www.columbiaroad.com

STAGE	AWARENESS	CONSIDERATION	DECISION		DELIVERY & USE			LOYALTY & ADVOCACY	
CUSTOMER ACTIVITIES	Hear from friends, see offline or online ad, read from newspapers	Compare & evaluate alternatives	Add groceries to shopping cart	Make an order	Receive or pick up on order	Contact customer service	Enjoy groceries	Order again and/or order more	Share experience
CUSTOMER GOALS	No goals at this point	Find the best solution to buy food	Find and select products easily, get inspired	Order effortlessly	Receive or pick up an order effortlessly and when needed	Get help if problems appear, request for refund	Have the right and good quality in-gredients	Repeat good customer experience	Share feelings, give feedback
TOUCHPOINTS	Word of mouth, traditional media, social media	Word of mouth, website, brick & mortar store, social media		Website, app, order confirmation email	Delivery service, packing, messages (email, SMS, phone call)	Phone, email, chat	Food products, packages, other materials		Word of mouth, social media
EXPERIENCE	Interested, curious	Requires effort but excited	Excited	"Payment is painful"	Requires effort, happy when received	Frustrated	Satisfied	"This is easy"	"I have to share this"
BUSINESS GOAL	Increase awareness and interest	Increase number of website visitors	Increase shopping cart value & conversion rate	Increase online sales and conversion rate	Deliver on time and minimise the delivery window	Increase customer service satisfac-tion, minimise waiting time	Make products to match expectations	Increase retention rate and order value and/or frequency	Turn customers into advocates, turn negative experiences into positive
KPIs	Number of people reached	New website visitors	Shopping cart value, conversion rate	Online sales, conversion rate	On time delivery rate, average delivery window	Customer service success rate, waiting time	Product reviews	Retention rate, order value and frequency	Customer satisfaction

The trends are mapped onto a digital customer journey.

Download your own customer journey map template from our **website ↗**

You can edit the PDF directly, or print it out in A3 size to fit post-its.


Columbia Road
#digitalconsumertrends2025
COLUMBIAROAD.COM

STAGE 1: Awareness

Status quo and next steps

Awareness is likely the stage of the customer journey that is seeing the most change. For example, those social media platforms that used to be about pure inspiration are increasingly becoming one-stop marketplaces to facilitate immediate conversion.

The most exciting companies are the ones doing things differently and building their brand awareness in new ways and, for example, using data to fuel new innovations in how they reach their customers (e.g. Deutsche Bahn).

The challenge today is how to continue to inspire consumers and raise awareness through a multitude of channels, but simultaneously, make conversion and carrying to the following stages of the customer journey easier.

STAGE 1:
Awareness

Trend 1: Anywhere, Anytime
Case: Domino's

Trend 2: Hyper-personalisation becomes commonplace
Case: Deutsche Bahn

Trend 3: From the mass to communities, the growing importance of influencer marketing
Case: Noisy May

Trend 4: Platforms driving awareness from the market to within them
Case: Amazon

Trend 1: Anywhere, anytime

Firms today are facing increasing competition globally as commerce shifts to digital channels. This increasing competition is making it difficult for firms to stand out from a crowded marketspace and find the channels most relevant to their current and potential new consumers – consumers may become aware of the first offering at any stage of the customer journey and are looking to more seamlessly complete their purchases once finding interesting products.

One size doesn't fit all, and firms need to be present in all of those channels where customers may be. For some consumers that may be, for example, social media; for others it may be traditional marketing channels as the most relevant channels where consumers go to find inspiration. Regardless of where the consumer may find your product, it is critical that the customer journey and brand message be consistent.

The best retailers and brands today are those that are present literally everywhere and make it possible for consumers to be aware of the retailers' offering in any channel and at any time.

Domino’s

Domino’s strategy is very much based on being present in all the relevant channels for their consumers. With Domino’s Anyware, Domino’s essentially enables users to order from anywhere, anytime.

Domino’s Anyware is simple – regardless of the device, consumers can access Domino’s offering. The operating principle behind the digital campaign was simple: anyone could order pizzas from anywhere using any device (even from a TV!). This enables Domino’s to extend outreach over brands that still focus primarily on mobile and other channels to raise awareness.

In 2017, Domino’s Pizza overtook Pizza Hut to become the largest pizza company in the world, generating over $12B in global revenue.

STAGE 1:
Key learnings

- ➔ Identify the channels that your consumers use and be present in them.
- ➔ Seek to inspire your consumers but also make sure that they can complete the customer journey through your channels if and when they are ready. Awareness does not always happen in those channels where inspiration does, but when it does happen, you need to be ready to follow through to the next stages of the customer journey.
- ➔ Innovate and find new ways to be present for your consumers.

Trend 2: Hyper-personalisation

It's one thing to look for inspiration, but quite another for that inspiration to already be tailored to consumers' needs, wants and aspirations.

Hyper-personalisation essentially means that the customer experience (including, e.g., search results) is already tailored based on the customer's profile. This means that all the content that the customer sees throughout the customer journey is personalised and tailored to them.

The most successful brands now apply data and, for example, AI to deliver more relevant content and product and service information to customers throughout the customer journey.
Hyper-personalisation has the opportunity to revolutionise essentially the beginning of the customer journey as the customer sees only those offerings that are estimated to be relevant for their needs. This is important due to the growing influence of, for example, social media platforms on consumer behaviour.

CASE

AWARENESS

Deutsche Bahn

In 2019, Deutsche Bahn launched a campaign that encouraged domestic travel using photos of locations in Germany that mirrored famous foreign tourist destinations.

It used AI to identify German locations that resemble iconic global landmarks, and Facebook data to target travel enthusiasts and local influencers with real time price comparisons of flights vs. train travel.

A total of 750 ads were created, with a whopping 6.61% conversion rate and 24% increase in revenue.

STAGE 1: Key learnings

- ➔ Personalisation is not enough, but instead, it can be enriched through real-time data to ensure that your consumers receive tailored content, products and information whenever and wherever they are.
- ➔ Hyper-personalisation can enable differentiation from competition by, for example, providing tailored and innovative offerings in contrast to more generic search results. This can be a major source of competitive advantage.
- ➔ Historical behaviour is not enough, but instead, the customer experience must be based on real-time data of consumers' needs, wants and expectations.

Trend 3: From the mass to communities – the growing importance of influencer marketing

While influencer marketing has obviously become very popular in recent years, only recently have we seen firms use influencer marketing to, not just reach new customers, but build and grow their bonds with existing consumers and create stronger brand communities.

The big potential in the future is for brands to work with influencers to create sub-brands, and give more flexibility and freedom to, for example, design unique product lines and to share exclusive content. This opens up opportunities to reach whole new consumer segments, who may become aware and engaged by the brand due to the appeal of the influencers.

The best brands today are trying to reach particular communities and building influencer campaigns around less-popular celebrities in the hope that it will fuel some smaller communities and movements that create loyalty and novel awareness for the brand and its product lines.

Noisy May

Noisy May (a sub-label of Vero Moda) wanted to better connect with its key audience of young, fashionable, females aged 15–25. This meant redefining how the company applies influencer marketing.

Six key influencers were selected from Noisy May’s target markets to be ‘true’ brand ambassadors on Instagram. Each influencer would design five pieces for a capsule collection entitled #noisymayinfluenced.

During the design processes, the influencers shared social media content about the design process, i.e. a collaborative lookbook production, including the launch and introduction of an interactive, shoppable microsite built especially for the collaboration to engage their followers.

In total, 4+ million impressions and 6.3% engagement rate.

STAGE 1:
Key learnings

- ➔ Social media continues to be an important source of inspiration. It's important, however, to differentiate here from the competition and rethink how, for example, influencer marketing is done.
- ➔ It's not about choosing just anyone as an influencer, but rather trying to understand what communities these influencers belong to and how this resonates with the core consumer base. This can open many new avenues for firms.
- ➔ Co-creation can be a particularly powerful tool when combined with an influencer's own personal communities and networks.

Trend 4: Platforms driving awareness from the market to within them

2020 saw many platforms, such as Amazon, grow their dominance in retail as commerce increasingly shifted online. While retailers globally have seen digital sales increase, in particular, digital platforms have benefitted and their share of all global consumer sales has increased.

The growing influence of platforms has many implications for firms. Awareness now increasingly takes place on platforms like Amazon, meaning that it is very difficult to reach new customers when platforms like Amazon are the default for many purchases. Similarly, many previous “inspiration” channels like Instagram or Pinterest are also becoming platforms, making it difficult for brands to exist without having a strong presence and options to directly purchase products through these platforms.

The best brands today are those that understand the distinct role that each channel plays in their marketing mix. This means, to some extent, being present on platforms like Amazon, but then having exclusive offerings through their own retail channels. The platform may be a good slave but a bad master for firms.

Amazon

The past few years have seen Amazon (along with other platforms) continue their dominance and growth across verticals. Awareness, i.e, the first stages of the customer journey, is also being driven from the market to within these platforms. This means that customers increasingly narrow down their selection to the products and services on offer on their preferred platforms and marketplaces, rather than considering offerings in the market.

By 2021, Amazon now accounts for approximately 50% of all US e-commerce sales and has emerged a clear winner from Covid-19. More and more people are switching to online shopping and grocery delivery, driving sales to platforms like Amazon.

Amazon has especially become a lifeline for many. In 2020, consumer spending on Amazon grew by around 35%, reflecting Amazon's desire to hire close to 100,000 new employees to handle growing volumes.

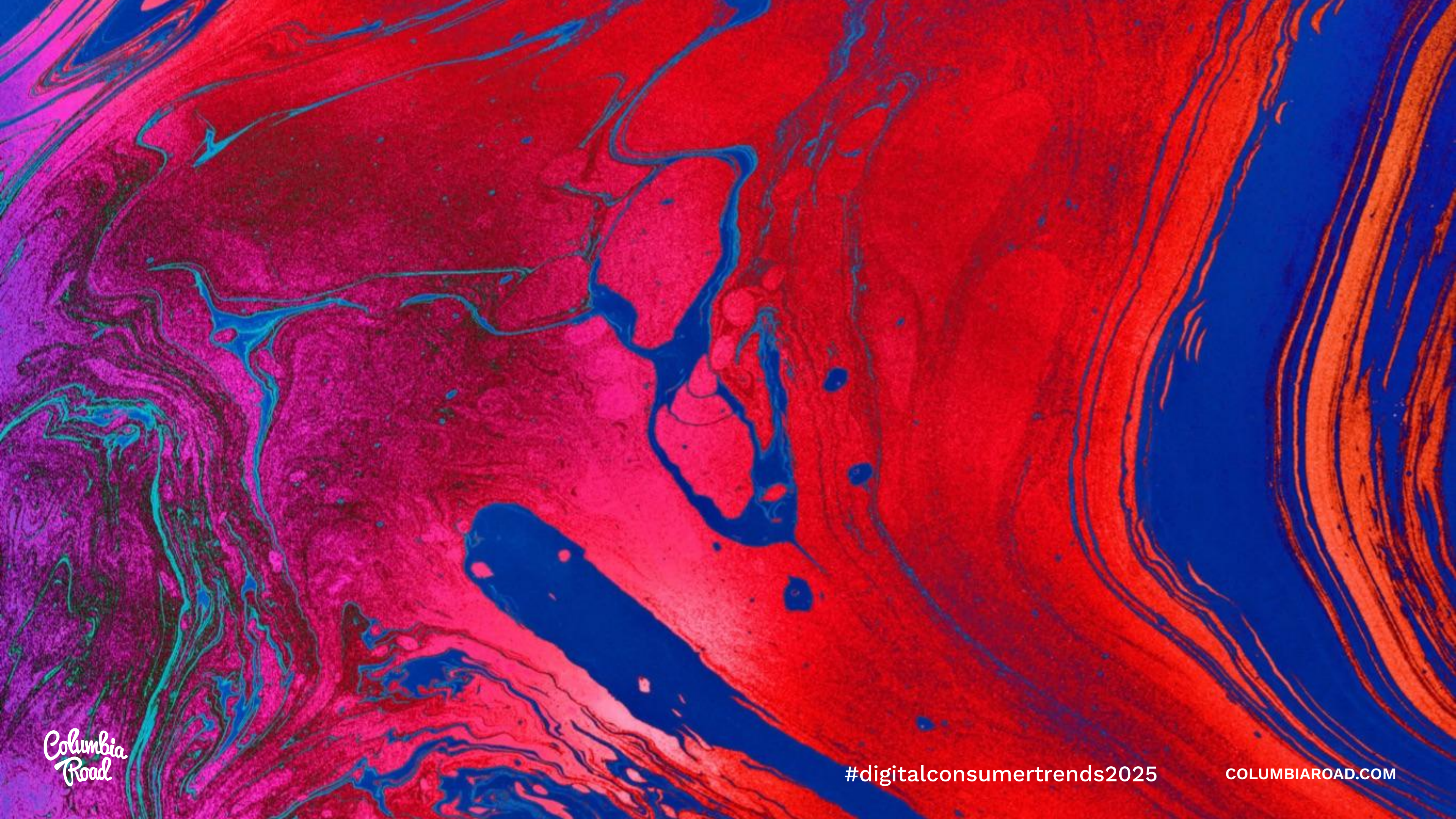
STAGE 1:
Key learnings

➔ Firms need to choose which ecosystem they will belong to. For eg., participating in a marketplace can bring increased awareness due to simply being present on the channels now preferred by many consumers.

➔ Many firms may need to rethink their marketing efforts as more product searches take place on marketplaces rather than the search engine (Amazon > Google).

➔ As platforms take over much of the customer journey, it is essential that firms also make buying as frictionless as possible, and that after inspiration, it is also possible to complete the rest of the customer journey with ease.

➔ While platforms are powerful, it does not mean that there is no room to survive without them. There are many powerful examples of firms that have been successful in differentiating (e.g. Nike by expanding sales in its own channels vs. resellers).



STAGE 2: Consideration

Status quo and next steps

Digital is today helping consumers filter information and provide increasingly personalised product recommendations. This is enabling more informed purchase decisions, coupled with more customised and targeted product offerings. In the future, selections will be increasingly customised to individual needs.

The most exciting companies are the ones taking personalisation to a whole new level, for example, through both highly personal and authentic content, as well as by playing with tools, such as, scarcity (e.g. Paynter Jackets).

The challenge today is differentiating from the mass and finding ways to truly stay on top of the consideration set across the first phase of the customer journey.

STAGE 2:
Consideration

Trend 1: Reimagining product evaluation and comparison with augmented reality
Case: Nike Fit

Trend 2: From inspiration to consideration via visual search
Case: Pinterest

Trend 3: Customisation is the new norm in digital sales
Case: Amazon (custom t-shirt)

Trend 4: More personal and authentic content wins the game
Case: Paynter Jackets

Trend 5: Feeding Customer Data into Product Recommendations
Case: Stitch Fix

Trend 1: Reimagining product evaluation and comparison with augmented reality

While a lot has been talked about technologies like AR, their application in retailing to augment the retail customer experience has been relatively slow. In contrast to many traditional retailers, innovation in this avenue is primarily spearheaded by digital giants like Amazon.

AR, for example, promises to make product comparison easier and, thus, help push consumers to making final purchase decisions faster. Without the need to visit the store and try potential products, AR enables consumers to see how products including furniture and clothing look in a natural environment, such as a consumer's home. This reduces many of the traditional barriers to digital retail.

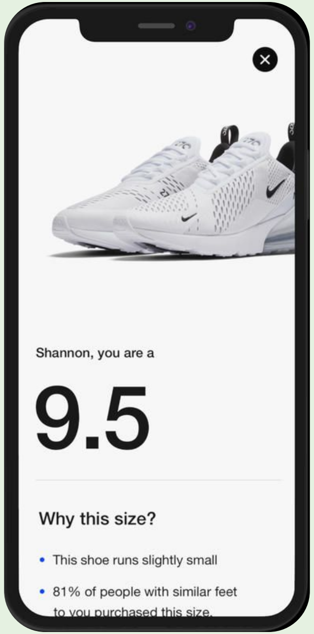
In 2020, and post-Covid, those retailers that have applied technologies like AR to make product comparison easier and possible through their own smart devices (i.e., smartphones) have had an edge over others. These trends will likely only continue in the future as the way that consumers shop and make purchase decisions will be fundamentally different from now on.

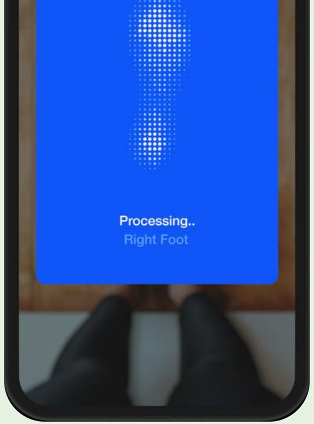
Nike

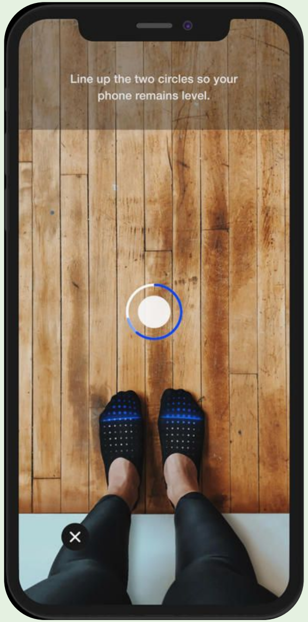
In 2019, Nike rolled out the Nike Fit AR App. Powered through the Nike app, consumers can take a detailed scan of their feet to receive personal recommendations on ideal shoe fits and sizes.

Considering that 60% of people walk around with incorrectly sized shoes, Nike Fit tackles a core issue in the clothing industry. Similarly, it enables Nike to feed off the data directly to its product development to optimise sizing in the future with the help of machine learning.

By helping consumers find the ideal product fit, the app helps increase sales (through increased consumer confidence) and minimise product returns. This a win-win for both consumers and Nike.







STAGE 2:
Key learnings

→ AR can give firms an edge and help drive consumer purchases online, particularly when it enables consumers to see how more expensive items look in their own homes and living environments.

→ Technology can help reduce many of the common barriers to buying online. As more and more consumers buy online, this can be the differentiator between success and failure.

→ As these technologies become cheaper and more widely available, now is the right time to incorporate AR and AI in your digital solutions.

Trend 2: From inspiration to consideration via visual search

A big traditional barrier in the customer journey was moving from inspiration to consideration. Once consumers were inspired by a product, they still needed to find more information about the product, incl. about pricing, to be able to make a final purchase decision. Given, for example, the large amounts of information available to consumers, this was easier said than done.

With visual search, instead of describing a product with text, consumers simply take or upload a picture that is then analysed with machine learning to find visually similar items. Visual search promises to make it easier for consumers to move from simple inspiration to discovering specific products. Furthermore, visual search lowers the time it takes to move from simple inspiration to purchase.

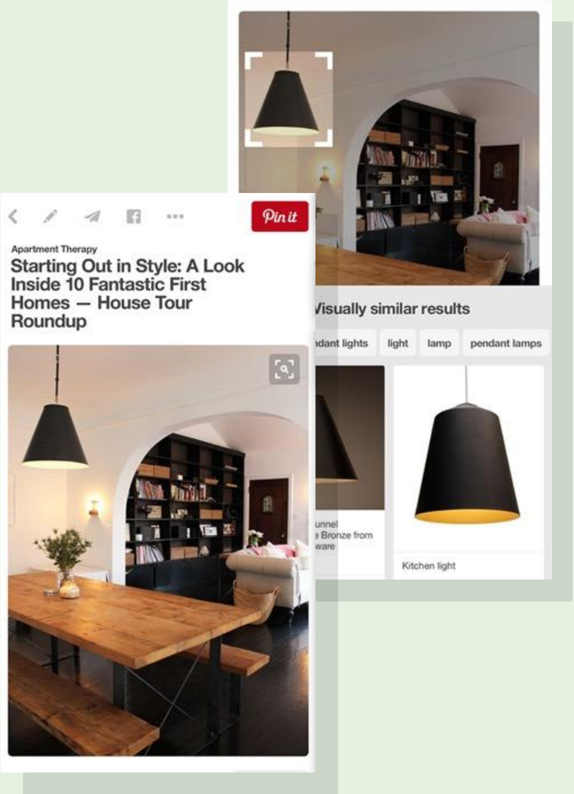
As AI technology has evolved significantly over the past few years, visual search now provides consumers high-quality and reliable matches. Those firms applying visual search have the opportunity to reap significant competitive advantage over others.

Pinterest

Pinterest is a pioneer in visual search and continues to improve the feature. Visual search doesn't just identify what a product is, but it shows how this product can fit in consumers' lives in terms of complementing their existing wardrobe or apartment decoration.

Pinterest Lens enables consumers to find options and alternatives for products that they encounter. For example, by pointing a smartphone to a particular ingredient, the app comes up with recipes to complement that specific ingredient.

At best, consumers can instantly check out not only the items they are interested in but also related items and alternative styles. This helps customers move from pure inspiration to considering the options they have available to purchase that product.



STAGE 2:
Key learnings

→ New forms of search are becoming important. Essentially, visual search enables consumers to more easily identify relevant products they may have been inspired by through other marketing and sales channels.

→ As mobile commerce grows, it's important that firms understand that also the way that consumers search for products is changing. This necessitates the need to facilitate alternative search formats.

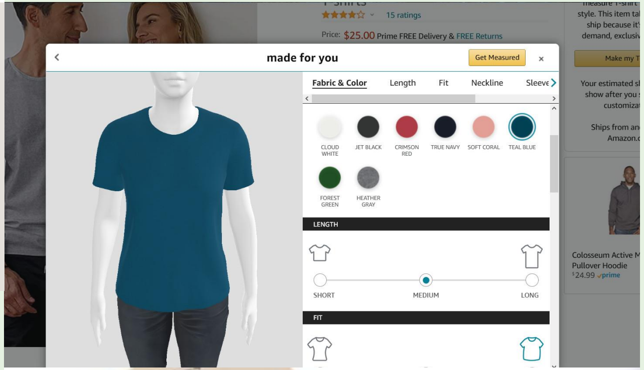
→ Visual search can particularly help niche firms display their product as they would most likely not be the first search results through traditional search engines.

Trend 3: Customisation is the new norm in digital sales

While 3D printers are not quite here yet, many firms have already jumped on the opportunities provided by customisation and the ability to make customised products tailored to the needs and desires of individual consumers.

Customisation essentially means that consumers can design and modify products to suit their own needs. In some cases (e.g. Nike) this is a way for retailers to take more control of the customer relationship from traditional resellers and distribution channels, while for others (e.g. Amazon) it is a way to meet the needs of more demanding consumers and to gather data.

The diminishing production costs, and the increased demands of consumers for individual customised products, is resulting in many firms enabling consumers to design their own products and, for example, make items that truly fit them and their personality. Not only does this enable new business and earnings models, but it also enables firms to connect with their consumers in many novel ways.



Amazon Custom T-Shirt

Amazon launched its ’Made for You’ custom clothing service in 2020, which enables consumers to make custom designed t-shirts in a variety of colours, fabrics, necklines, and shirt sleeve lengths.

After taking two head-to-toe photos via the Amazon app and manually entering height, weight and body type details, Amazon creates a “virtual body double” that it uses to ensure that items are made to measurement.

Customised products are very much the new normal in retail, and besides enabling Amazon to collect more data on its customers, it is an easy way for Amazon to jump into the lucrative customisation market in which it has already taken some strides through, for example, on-demand publishing.

STAGE 2:
Key learnings

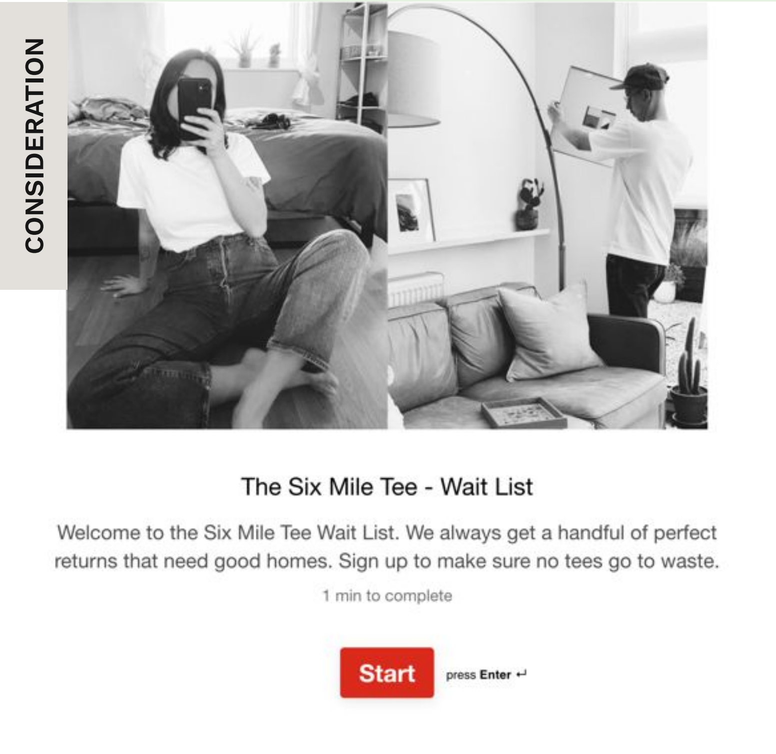
- ➔ Consumers are now looking for ways in which they showcase their own unique personalities. This is a major trend on which it should be a no-brainer for many firms to jump aboard.
- ➔ Firms can accumulate more data about consumers' personalities, sizes and preferred styles that can be used to enrich the customer experience. This can also help drive product development activities.
- ➔ Customisation and customised product categories can be a cheap, easy way to drive consumers to their own marketing and sales channels in contrast to mainstream platforms. This has been a success factor for brands like Nike as of late.

Trend 4: More personal and authentic content wins the game

Moving from inspiration to consideration, it’s critical for firms to differentiate from the mass to stop consumers from comparing and evaluating alternatives and drive them to more instantaneous final purchase decisions. This is where doing things differently and truly connecting with the consumer base is a huge benefit.

Personal and authentic content is one way that firms can have an edge over their competition. After consumers find relevant and interesting products, being authentic and having an appealing brand message can be the crucial difference for securing a purchase, versus not. For example, selling only limited quantities of products (when well reasoned and justified as part of the brand message) can be one very appealing way to drive loyalty especially if consumers truly believe in the brand’s philosophy and message.

Many of the most successful brands that have emerged over the past few years have done things differently and tried to more authentically connect with their consumers. This trend will likely only continue to become important in an ever-competitive marketplace.



Paynter Jackets

Paynter Jackets is a clothing brand that sells limited edition jackets in Batches (four times a year). The main philosophy of the brand is to re-make iconic jackets that stand the test of time, using the best materials and makers they they can find.

Their philosophy is simple. It wants to focus on quality and bring meaning back to clothing. This means being transparent about the manufacturing process, for example through social media content, from the fabric being made to the sewing of the jackets. Similarly, it focuses on the environment by keeping no stock and making only items that have been ordered (i.e., just in time).

The Paynter Jackets model relies on building up anticipation and having an extremely limited product availability. Paynter Jackets has sold out jackets in no more than 86 seconds. Members can sign up to an email subscription to guarantee a jacket, and place a pre-deposit that also enables the company to gauge demand prior to the launch of a new collection.

STAGE 2:
Key learnings

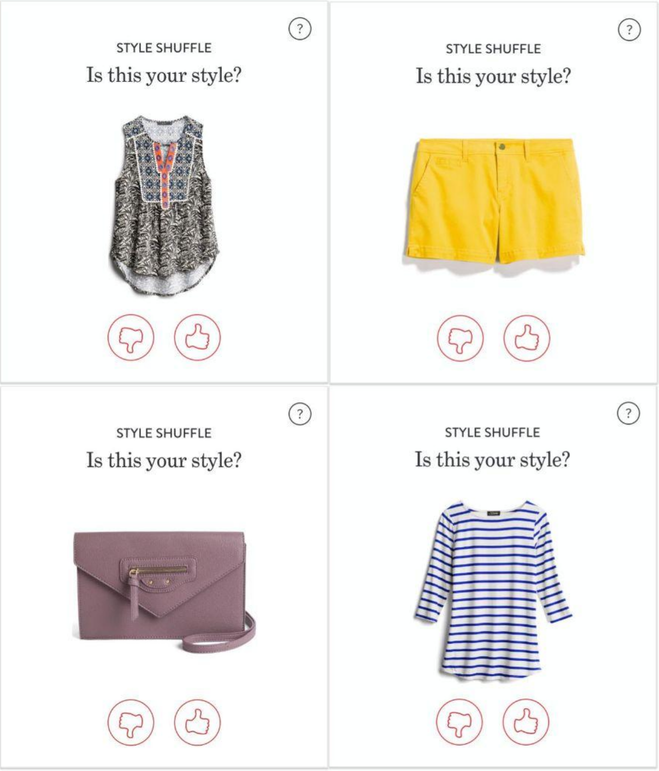
- ➔ Consumers value brands that do things differently and truly connect with their consumers. Through authenticity, it’s possible to win over consumers’ minds (and wallets).
- ➔ Bundles and limited selections are an efficient way for particularly smaller, niche brands to gain visibility and attract sales.
- ➔ To differentiate from the competition, firms may use sub-brands etc., which feature limited edition selections coupled with unique and exclusive content.

Trend 5: Feeding customer data into product recommendations

Customer data has become a differentiator for firms across the customer journey. Some use customer data to personalize the entire customer experience, while others use customer data to help consumers filter product information before making final purchase decisions.

After moving from inspiration to consideration, firms can help consumers find specific products or styles by using customer data and, for example, information about consumers' prior purchase decisions. For example, firms can use customer data to recommend specific sizes, colours, and styles to make consumers more confident to make final purchase decisions and reduce the likelihood that consumers will be dissatisfied with their eventual purchase. All of these are geared at driving consumers to consider and find specific products faster and move along the customer journey.

Firms that now use customer data to personalise the retail customer experience have an edge over their competitors. However, customising the customer experience is not enough as consumers are now looking for retailers to also tailor their offering based on customer data and remember their consumers' preferences over time. This will likely become the norm in the 2020's.



Stitch Fix

Stitch Fix, a US-based online clothing start-up, uses advanced algorithms to create personalised styles by determining everything from the size, silhouette and style of each individual item based on consumers' prior purchase behaviour.

Not only is Stitch Fix recommending an outfit, but it is using data about, for example, reviews and other behaviour to understand why consumers wear a particular piece of clothing and predict what consumers will want to wear in the future. This means, for example, understanding in more detail how individual pieces of clothing relate to one another.

Stitch Fix uses algorithms to decode items that each customer likes, and then matches those with similar items. Similarly, it uses algorithms to understand each customer's "actual size", so that it can deliver clothes that will best fit each customer. This data is fed to actual 'human' stylists, who curate the items offered to each customer. 90% of customers are repeat buyers.

STAGE 2: Key learnings

- ➔ Firms that truly understand their consumers can grab competitive advantage over others. Data and algorithms are critical differentiators in many markets.
- ➔ It’s important that firms acknowledge what each data source, e.g. past review and purchase behaviour, tells about a consumer’s personality, and how this could be used to personalise the customer experience.
- ➔ Technology can only take firms so far and it’s important that firms also use their own expertise to tailor experiences. This requires a combination of both data and human capacity.

STAGE 3: Decision

Status quo and next steps

Digital is enabling consumers to decide faster and expect efficient service. Meeting consumer demand, however, now requires companies to better understand the needs of their customers, and to deliver on their value proposition.

The best companies are those that are making shopping as easy as possible and leveraging new ecosystems to create tangible benefits to their consumers (e.g. Amazon Prime).

The challenge today is deciding which ecosystem to join. As digital platforms are under increasing regulatory scrutiny and starting to battle with each other, making the right call is crucial.

STAGE 3: Decision

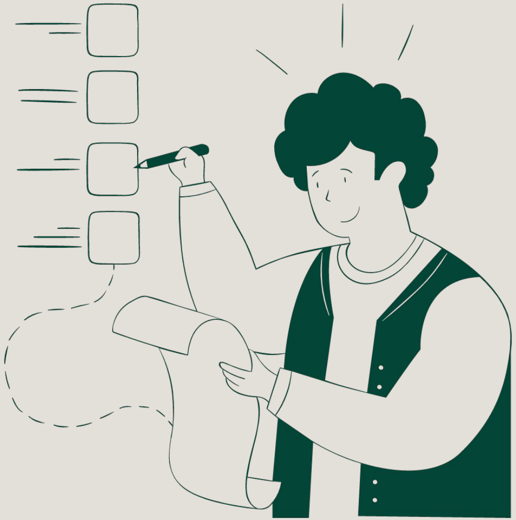
Trend 1: The era of mega-apps (from awareness to decision in one go)
Case: LINE

Trend 2: Auto-replenishment and recommendations drive sales
Case: Kroger

Trend 3: Prediction and demand matching
Case: Walgreens

Trend 4: Frictionless commerce through ecosystems
Case: Amazon Prime

Trend 5: “Payment Wars”
Case: Espresso House

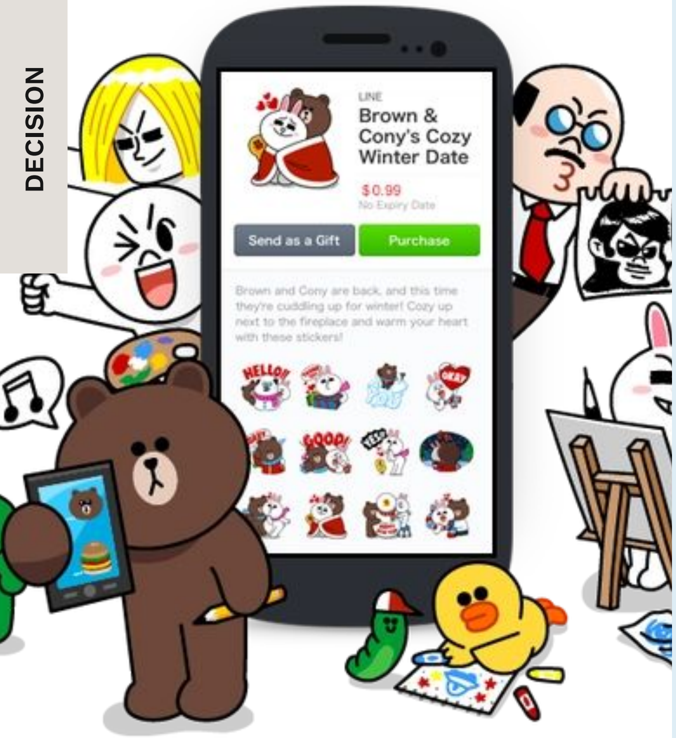


Trend 1: The era of mega apps

With the growing dominance of platforms in global retail, there is also increasing talk about mega-apps and digital applications that now make it easier for consumers to handle many different phases of the customer journey from one single app (e.g. WeChat). This means moving from inspiration re social media, to directly interacting with retailers and making frictionless purchases.

Mega-apps are increasingly important for the decision phase because they essentially make it possible to go from awareness to decision in one-go and effectively with just one or two clicks. This is a huge transformation.

While so far the development of so-called mega-apps has been happening in Asia, it is likely that also in Western Europe new applications will emerge that tackle multiple parts of the customer journey. This is evident, for example, through the growing investments of e.g. Amazon and Facebook in new parts of the retail value-chain.



LINE

LINE, a Japanese messaging app (like WeChat), is a super app for social networking. Like many other social networks, users can view what their friends are sharing and exchange photos, videos, links and comments.

Not only does the app enable messaging and videos, but it also provides access to payments and shopping. With LINE Shopping, users have access to over 250 retailers and 100 million items.

LINE is very much embedded in Japanese culture, and famous for its stickers. Users can share their original stickers for free or sell them for LINE coins, which is a currency used in the app for users to purchase stickers and themes. The app has several branded stickers, e.g. from celebrities and companies that are popular among users.

LINE has about 218 million monthly active users and a business model based around ancillary sales and advertisements. It is also available in Taiwan, Thailand and Indonesia.

STAGE 3:
Key learnings

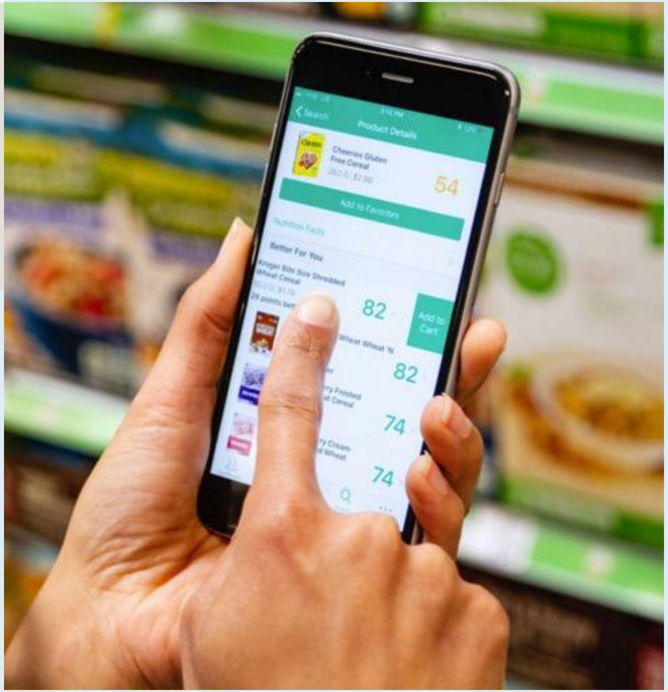
- ➔ Retail is now very much about partnerships and finding the right partners. As services become bundled, it's important that firms are present in relevant and popular channels. This ensures that firms can continue to reach their key consumer segments.
- ➔ Commerce is becoming increasingly frictionless, and the most popular retailers are enabling more and more parts of the customer journey through a single app.
- ➔ As the popular apps and channels continue to change at a fast pace, it's important that firms follow key developments both locally and globally.

Trend 2: Auto-replenishment and recommendations drive sales

While data is important in digital retail, it is also important in the cross-section between physical and digital. Today, AI and machine learning can be used to make smarter recommendations for consumers and make it possible to, for example, make smart shopping lists that effectively automatically replenish household essentials on a regular basis.

At best, auto-replenishment means that consumers can automatically refill most of their daily essentials based on the recommendations given by smart technologies. This means going straight to the final purchase decision, without the need to consider potential changes to the shopping list.

Consumers are looking for more frictionless commerce, and this is something that auto-replenishment can do both digitally and also in the physical environment. Similarly, retailers can use data to fuel more personalised recommendations and offers in-store to encourage impulse purchases.



Kroger

The American supermarket giant has invested heavily in automation to stay relevant in the competition against firms like Amazon. Through AI, Kroger's customers receive useful content digitally, but also "inspiration" through product-related content and recipes, while also helping, for example, customers reduce mistakes in self-checkout.

In the store, Kroger uses smart shelf technology to give personalised recommendations to customers. When a Kroger customer walks down the aisle with the Kroger app open, sensors identify the shopper and provide personal pricing and highlight products the customer might be interested in.

Recently, in partnership with British online grocer Ocado, Kroger has launched plans to to build as many as 20 automated grocery warehouses in the U.S.

STAGE 3:
Key learnings

- ➔ Tailored recommendations and offers can drive consumers to make purchase decisions faster and with ease. This requires sophisticated AI and machine learning to be successful.
- ➔ Auto-replenishment is very much the future, and it is likely that in the future firms will enable consumers to more easily make purchases.
- ➔ Recommendations and customisation are not only about digital, but are also important in the physical realm. The best retailers are using this as a competitive advantage (e.g, Kroger).

Trend 3: Prediction and demand matching

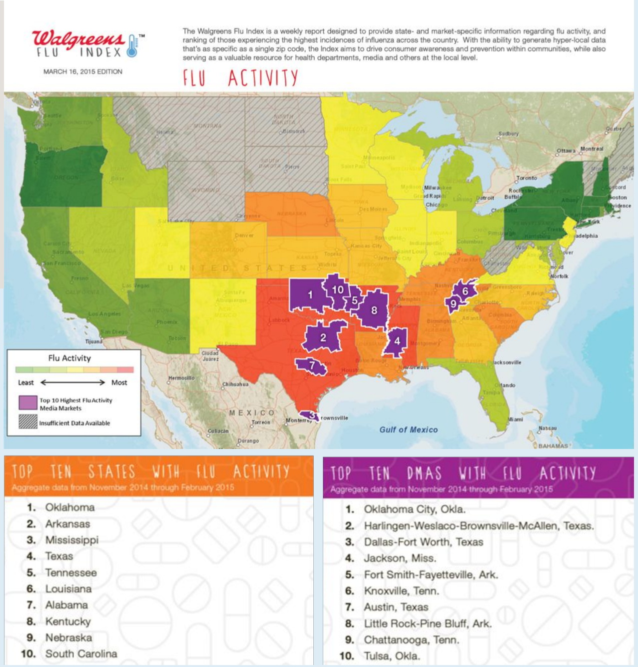
Real-time data analytics is very much the new normal in digital consumer sales today. However, the frontrunners are taking this one step further. It is not enough to simply know what your customers want and need at any given time but data can be used to ensure that consumer demand is met and sudden demand spikes predicted. Success on this front is what separates the best from the rest.

By anticipating and predicting demand spikes, firms can ensure that they are able to have products at the right place and at the right time to be able to fulfill consumer demand. If demand is inaccurately predicted, and not met, it can result in huge losses and the loss of consumer confidence. This is particularly important for seasonal products where demand is limited to, at best, a few weeks or even days per year.

The best firms are today using data, and even developing complex algorithms to predict demand. In some cases, this data can be used as a marketing tool to create value to consumers.

CASE

DECISION



Walgreens

Walgreens uses spatial analytics to monitor flu activity. Walgreens releases the data weekly to show customers where flu is occurring across the U.S. The data is based on the number of anti-viral prescriptions filled at more than 8,000 Walgreens stores across the US, and it comes out days ahead of official U.S. government data.

By having advance notice of where the flu is occurring and tracking patterns, it gives customers a chance to get a flu shot or take additional precautions to avoid exposure to illness. This also drives customers to make purchases as fast as possible when the data is publicly available on the Walgreens website.

Walgreens uses the data to also shift inventory to stores most likely hit by a flu wave. The prediction is right around 80% of the time.

STAGE 3:
Key learnings

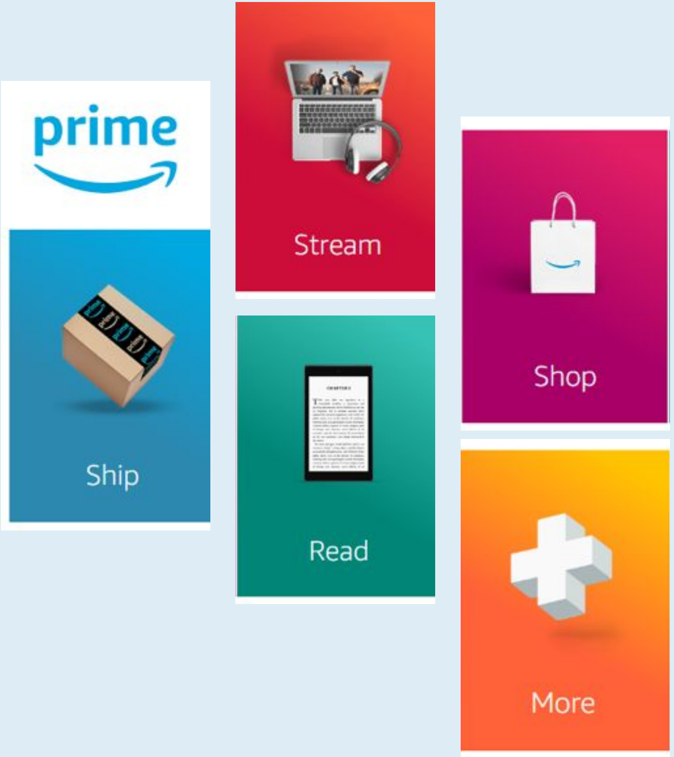
- ➔ Demand prediction and matching can be a source of competitive advantage. Failure to meet demand, particularly for seasonal products, can be a costly error.
- ➔ Data-driven demand matching can enable new business models and serves as a marketing channel as, for example, the Walgreens case shows.
- ➔ Firms need to understand the new opportunities that data and algorithms provide, for example, in terms of business and earnings model. Innovation on this front can secure long-term competitive advantage.

Trend 4: Frictionless commerce through ecosystems

The data economy has also made buying easier for consumers and essentially frictionless. Here, for example, ecosystems play a major role as through subscription services, such as Amazon Prime, buying becomes easier, and through the offered benefits, such as free shipping, check-out is a breeze.

Ecosystems such as Amazon Prime now play an important role in the decision phase of the customer journey. For example, products that are valid for faster delivery e.g. as part of a membership or subscription programme, will more likely appeal to consumers than others. Similarly, free shipping and other perks that consumers receive as part of the process become important. Firms whose products are not part of such programmes are worse off.

In the future as platforms and digital e-commerce giants continue to take on a growing share of e-commerce purchases, it is important that firms create services that make shopping and check-out as frictionless as possible.



Amazon Prime

Amazon Prime, launched in 2017, is Amazon's membership programme for free deliveries and now a host of other benefits, such as music and video streaming services. Today, Prime customers even get free same day or even 2-hour delivery in some cities.

Prime members are extremely loyal customers and outspend regular Amazon customers heavily. Similarly, Prime customers are heavy advocates of Amazon by essentially "paying" for loyalty. Overall, customers are paying to get the most out of Amazon and make shopping as frictionless as possible.

Amazon Prime is now one of the world's most popular subscription services with over 100 million paid Prime members. Around 2/3 of US households are Prime members.

STAGE 3:
Key learnings

- ➔ Today, consumers value services that make buying faster, easier and provide a host of tangible benefits to consumers. Many consumers not only consider the product price, but all the value-adding services associated with purchases (Amazon Prime is a great example).
- ➔ Increasing loyalty may mean devising new services, such as subscription and membership programmes, which make choosing one firm over another more likely. For smaller firms this, however, may not be an option.
- ➔ The Make, Buy, or Join question is critical as platforms like Amazon continue to dominate.

Trend 5: “Payment Wars”

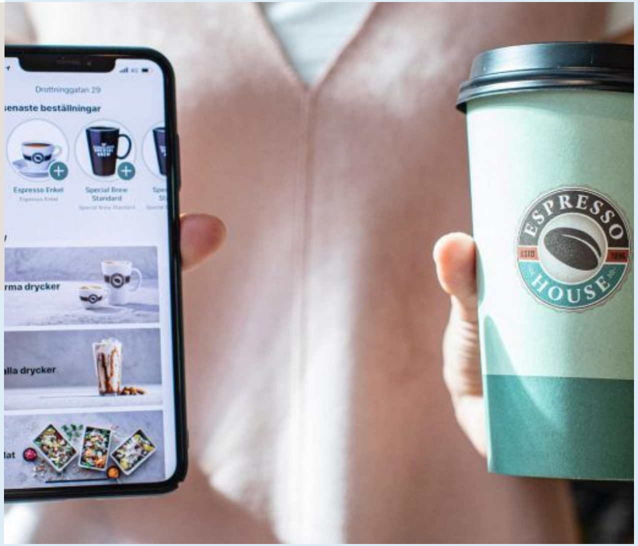
Today, much of retail talks about end-to-end commerce, meaning that the checkout process in retail should be as seamless as possible. Payments play a huge part in this. A huge battle is playing out in the global payment market about who gets to process a larger share of payments in the future. Similarly, many firms are also debating what stance to take on new and emerging currencies, such as Bitcoin.

In addition to traditional banks (e.g. Nordea), payment providers (e.g. Visa, Mastercard), pureplay mobile players (e.g. Klarna, Revolut) and a host of technology players (e.g. Apple, Amazon) are all eager to take a share of this lucrative market.

In the future, payments will likely be increasingly combined with logistics and players like Klarna will most likely become an intermediary for all key activities in the retail value-chain.

CASE

DECISION



Espresso House

In addition to tapping into global payment ecosystems, retailers (and service firms) are also increasingly building their own digital payment apps and mobile wallets. The Espresso House app, for example, enables consumers to buy products from Espresso House stores using pre-loaded credit.

The Espresso House app works as a both a payment method and loyalty card. Besides paying for products, consumers receive personal offers and discounts based on previous visits. The customer relationship management is handled directly in the chain's POS system, from where the information is transferred to the chain's business intelligence system.

By developing its own payment solution, Espresso House can gather more data on consumer purchases and better reach their loyal consumers. At the same time, consumers who have pre-loaded money onto the chain's app are more loyal and likely to buy from them again in the future.

STAGE 3:
Key learnings

- ➔ A lot is happening in the global payments market at the moment. This will likely result in a fundamental reconfiguration of how we pay, and how the global payments market is distributed between traditional banks, payment intermediaries and pure-play online banks.
- ➔ It’s important that firms closely follow developments in this sector. If consumers’ preferred payment methods are not available, this will likely lead to consumers buying products from competitors. Similarly, it’s important to consider how much data firms give their payment partners.
- ➔ Developing own payments solutions and embracing new payment modes (e.g. blockchain) may be worthwhile for some, and a way to differentiate from the competition.

STAGE 4: Delivery & Use

Status quo and next steps

Digital is enabling consumers to decide faster and to expect more efficient service. Meeting consumer demand, however, now requires companies to better understand the needs of their consumers and to deliver on their promised value proposition.

The most successful companies today are those who are using digital to enrich consumers' lives, and doing things differently when the entire business is fuelled by data.

The challenge today is having to compete with "new" players like Wolt, with a huge financial arsenal, and a completely different business model than what existed before.

STAGE 4:
Delivery & Use

Trend 1: On-demand economy
Case: Wolt

Trend 2: Rebuilding the store with an omnichannel mindset
Case: Adidas LDN

Trend 3: Peer-to-peer shopping made easy
Case: Zadaa

Trend 4: Last-mile customer experience
Case: Budbee

Trend 5: Sustainability becomes key in last-mile
Case: Loop

Trend 1: On-demand economy

The platform economy has enabled new business models and led to the rise of new players like Uber that rely solely on platform workers, i.e. independent couriers that are not employed directly by the firm but instead only receive a relatively small share of each delivery. This has led to the so-called on-demand economy where it is now possible to have any good delivered essentially anywhere within a short period of time.

Through the on-demand economy, speed has become a differentiator in the last-mile as on-demand delivery giants like Amazon, Deliveroo or Uber Eats now enable the delivery of any daily essential from restaurant food to household items within 30–60 minutes. Retailers that now partner with these players are able to reach new consumers looking to pay a premium for faster deliveries and also find new avenues to solve the last-mile problem.

Firms that partner with new delivery partners like Finnish Wolt are able to quickly meet the needs of today's consumers - Nordic consumers are now increasingly “hooked” on fast and cheap deliveries. Similarly, partnering with players like Wolt gives firms valuable data about what type of products consumers want at a fast speed, which firms can use to, for example, develop their own delivery offerings and digital channels in the future.

Wolt

Wolt, a Finnish delivery start-up, raised $530 million in January 2021 to take on the retail sector and enable the delivery of virtually anything. Wolt operates in 23 countries and 129 cities (and is growing at a fast pace).

After taking on restaurants, Wolt now aims to equip retailers to compete with digital retail giants. This means enabling the delivery of all kinds of retail goods from pet food to flowers. It now has around 1,500 retail partners, from big retailers to small niche players.

Wolt has taken a relatively unique strategy by taking on markets, such as Eastern and Southeastern Europe, largely ignored by Wolt's main competitors like Uber Eats. So far, this strategy has paid off and Wolt is already profitable in some of its key markets.

STAGE 4:
Key learnings

➔ The last-mile is becoming highly competitive, and 2020 has grown consumers expectations towards delivery players both locally and globally.

➔ Partnering with delivery players, such as Wolt, can enable firms to quickly respond to the growing need and demand for faster deliveries.

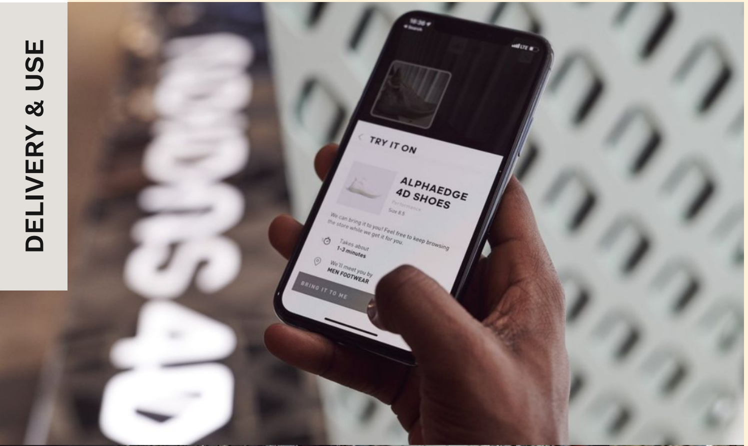
➔ New partnerships can enable firms to gather important data about the needs of their consumer base and help them develop a long-term strategy for the last-mile.

Trend 2: Rebuilding the store with an omnichannel mindset

Firms now understand that the store, as it has commonly been known, is no longer working as is. This has led to firms like Walmart redesigning its stores as more open spaces, with room for more digital technology, and at the other end of the spectrum, firms like Nike and Adidas completely rethinking the services and experiences that the store can offer. Click-and-collect and personalisation will very much be the new normal from now on, all centred on an omnichannel customer experience.

While it is still very early to say what the store will look like in a post-Covid world, it is safe to say that much will be different. Queuing, paying and browsing will, for example, very much be now done through consumers' own devices rather than physical devices in the store space. At the same time, a huge trend is the increasing investments in entertainment and experience by retailers worldwide.

Firms that do things differently and understand that the store is much more than just a space for shopping have an edge over their competitors. The need for entertainment and experience is not going anywhere but it is true that shopping habits and formats will likely be very different from now on.



Adidas LDN

Adidas opened a new flagship store in London in 2019, a 4-storey store with 100+ digital touchpoints and dedicated sections for football, Adidas Originals, Y-3, and Stella McCartney collections. The store is powered by green energy.

The store integrates the Adidas app in novel ways, including a ‘Bring It to Me’ feature, which uses in-store geolocation tracking to provide an uninterrupted browsing experience. Shoppers can scan products, check stock, request their size and purchase on the spot without queuing, along with other features. Omnichannel is the key with this store.

Also, for example, interactive fitting rooms use RFID technology to recognise products and provide information, with shoppers also able to request different sizes and colours without leaving the store. Products can also be tailored on-site. Similarly, the store features a sneaker cleaning service, a running lab for product testing and products can be fitted with experts, to name just some of the unique services offered.

STAGE 4:
Key learnings

➔ The store is not going anywhere but the format of the store is changing. Now is the time to start rethinking and redesigning the role of the physical store in the marketing mix.

➔ Own devices, in contrast to e.g. physical touch screens, is the way to go in the future. Investment should be geared at in-store mobile usage and, for example, customer recognition.

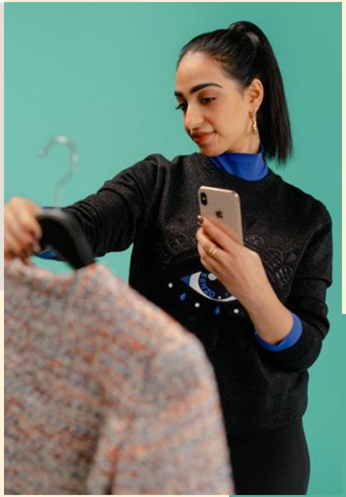
➔ It is likely that many of the shopping trends seen in 2020 will be here to stay and in the future consumers will expect more space in the in-store environment.

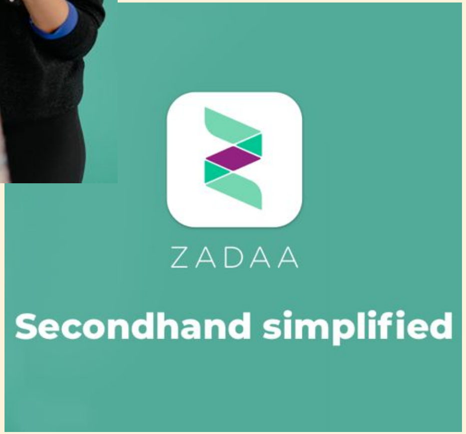
Trend 3: Peer-to-peer shopping made easy

The circular economy is something that has been hyped for years. Recently, firms like H&M have unveiled their own pilots regarding e.g., clothing rentals, while at the same time we are seeing the first wave of pureplay peer-to-peer shopping marketplaces (e.g. Zadaa) take on new markets. The adoption and expansion of these business models will determine how popular the circular economy will become as a consumption phenomenon.

A big barrier to the circular economy has been the difficulty for many to engage in, for example, selling secondhand clothing. This is where the digital economy provides many tools. As logistics is becoming easier, and online payments widely adopted, new players centred on data and with a mission to make selling and buying secondhand clothing have an edge over, for example, Facebook secondhand trading groups where the risk and effort is very much left in the hands of the individual consumer.

The next few years will very much determine what the circular economy will look like. Will we see dedicated marketplaces, such as Zadaa, dominate, or will existing retailers, both digital (e.g. Amazon) or non-digital (e.g. H&M), find new sustainable business models in this space?





Zadaa

Zadaa is a marketplace for selling and buying secondhand goods. The idea of the platform is to make buying secondhand goods as easy as any other online transaction.

For sellers, the app makes it as easy as possible to list items in minutes from taking a photo to setting the price. After an item is bought, sellers can drop off the item at their nearest delivery point and ship the product using a prepaid delivery code. All payments are handled by Zadaa.

For buyers, the app finds clothing that matches the users' own style and size. Items are delivered with a tracked and insured package. If items are not as they were described, buyers get their money back. This reduces the risk of fraud and, for example, sales of counterfeit goods

STAGE 4:
Key learnings

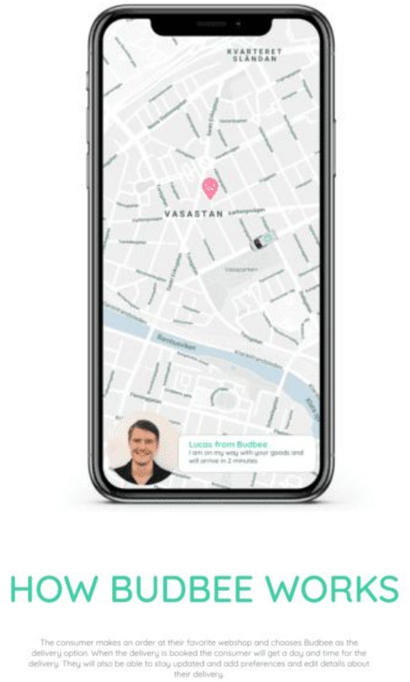
- The circular economy promises to bring new earnings and business potential for firms. Like H&M, with its clothing rental, it's always best to radically innovate new concepts yourself before someone else does it for you.
- Like frictionless e-commerce, there is no reason why consumers wouldn't expect also peer-to-peer shopping to be as easy as possible. This is something that firms should focus on and they should ensure that their entire business model is up-to-date.
- There is a lot that firms can learn from start-ups like Zadaa, which are truly out there to simplify the customer journey and increase trust. If secondhand shopping is easier than shopping in most e-commerce platforms, there is a lot to learn for many firms.

Trend 4: Last-mile customer experience

Many firms continue to struggle with the last-mile. Particularly as online order volumes have grown, this has led to many bottlenecks that have weakened the reliability of many logistics providers. The default for many logistics companies continues to be a lack of tracking or customisability for deliveries, resulting in a relatively poor overall experience. Bad experience in the last-mile can weaken loyalty to the retailer.

In contrast to traditional logistics providers (e.g. UPS, DHL), new players have now entered the last-mile market and are augmenting the last-mile customer experience through, for example, AI. This means more accurate tracking and more accurate control for consumers over how and where they want their deliveries. This is providing a huge competitive advantage.

The last-mile customer experience plays an important role in the overall customer experience. This means that firms need to carefully choose the logistics services that they provide, and adopt also new service providers (e.g. Budbee) that can raise customer satisfaction due to their different and differentiated business models.



Budbee

Swedish home delivery start-up Budbee is trying to revolutionise the last-mile customer experience. The idea is that all deliveries will take place at a time that suits the consumer’s own individual schedule.

In the Budbee app, customers can access detailed tracking, and choose how the parcel will be delivered (and where). When retailers saw that customers valued such customer experience and service, many were quick to implement and offer Budbee as a shipping option due to the higher average order value and increased loyalty.

Budbee believes that as e-commerce grows, those players that offer seamless customer experience will come out on top of the game.

STAGE 4:
Key learnings

- The last-mile customer experience is a very important part of the retail customer journey. In the end, by embracing new, more consumer-oriented options, such as Budbee for delivery, firms can gain a competitive advantage over others.
- A frontrunner business doesn’t need much to stand out. Budbee is not in any way a revolutionary business, but it just does things a lot better than many other players in a very traditional industry.
- A big part of today’s data-driven business models is about giving the customer more control. In the last-mile this means transparency and the ability for consumers to decide when and how they want their items delivered. Just a little bit more control can go far to make the customer experience more enjoyable for many.

Trend 5: Sustainability becomes key in last-mile

The last-mile is known as the costliest part of the logistics value-chain. Besides the direct cost associated with, for example, returns and reverse logistics, also indirect cost regarding, for example, sustainability is a vital issue. Packaging, for example, accounts for over 40% of all plastic consumption worldwide, and is a growing problem as online purchases continue to accelerate.

The issue of sustainability in the last-mile has led to an influx of new players such as Andrepeat, Loop and Repack, who try to reimagine sustainable packaging, one major component of this problem. This means finding ways to make packaging more sustainable and reusable. Most importantly, these are aimed at being as effortless as possible for consumers to promote use.

In the future, sustainability will become a differentiator for brands and jumping on the bandwagon, for example related to more sustainable packaging, can go a long way to securing customer trust and loyalty and reaping competitive advantage.

Loop

Loop is an American reusable packing scheme that is trying to change the way that packages are delivered to customers. Orders are delivered in a reusable tote and when a customer has an empty container, the tote is returned to the retailer for reuse.

Loop works through partnerships with brands like Haagen-Dazs, in creating reusable containers for their products. These containers are designed to be reused multiple times, while also meeting specific brand requirements and needs.

Consumers buy their desired products as usual, with a small fully-refundable deposit to cover the reusable container. Once consumers have used up the product, they return the containers and swap them for a full one. The returned containers are then cleaned and refilled with product to be resold.

Loop's reusable packaging scheme has the potential to revolutionise the way we package and purchase products.

STAGE 4:
Key learnings

- Sustainability is a huge issue in the last-mile and something that is witnessing major innovation. Being a frontrunner in this space can go far in winning over new consumers and differentiating from competitors.
- Sustainable packaging is one thing, but making it as easy as possible to commit consumers to recycling their packaging is another. This is where the main start-ups like Loop stand out and gain competitive advantage as contributing to the circular economy is made as easy as possible.
- So far, innovation around sustainable last-mile has been geared at individual brands and next it will very likely involve large players who have the potential to steer the entire sector to a more sustainable path.

STAGE 5: Loyalty & Advocacy

Status quo and next steps

Digital is shaping how consumers connect with their preferred brands and build relationships. The best brands have successfully shifted their consumer relationship management online and now cherish advocacy digitally.

The most successful brands are crafting new ways to connect with their consumers and do things differently to others (e.g. Adidas).

The challenge is finding the right level of loyalty & advocacy that resonates with your consumers. Consumers do not want another subscription programme nor membership scheme, unless it truly delivers some unique and exclusive benefits.

STAGE 5: Loyalty & Advocacy

Trend 1: Subscription services are here to stay
Case: Walmart Baby Box

Trend 2: Monetising brand fanaticism through membership
Case: Adidas

Trend 3: Gifts and gamification now used to reward customers
Case: Lancome

Trend 4: Authenticity and experience sharing becomes critical
Case: Made.com

Trend 5: From one-off purchases to retailtainment
Case: Guess

Trend 1: Subscription services are here to stay

Subscription services have grown heavily in popularity in recent years. Essentially subscription services form a new business model for firms and generate additional earnings. In essence, subscription services give consumers a reason to return to a specific firm in contrast to competitors. This largely explains the popularity of, for example, Amazon.

Today, firms use subscription services in many different ways. For some it's a core part of their business model; for others its an ancillary service geared at a specific consumer segment. At best, subscription services can also support marketing efforts by reminding consumers of new products and encouraging them to shop in-store.

While a big question is how many subscription services does a consumer need, in many highly competitive markets subscription services can increase loyalty and add sales. When a consumer has subscribed to your service, they have essentially paid you for being a loyal consumer.

Walmart Baby Box

Walmart’s Baby Box is a free subscription service (+ $5 shipping) that sends parents samples of essential baby products. The box includes both favourite brands and some new and upcoming brands looking to expand their reach.

Walmart sends a new box frequently with samples geared toward what babies will need during that period in their life. The subscription automatically renews until cancelled.

The boxes help Walmart connect with the lucrative parents (and parents-to-be) market, but also help parents find new brands and products that their children may love. This is a win-win for all.

STAGE 5:
Key learnings

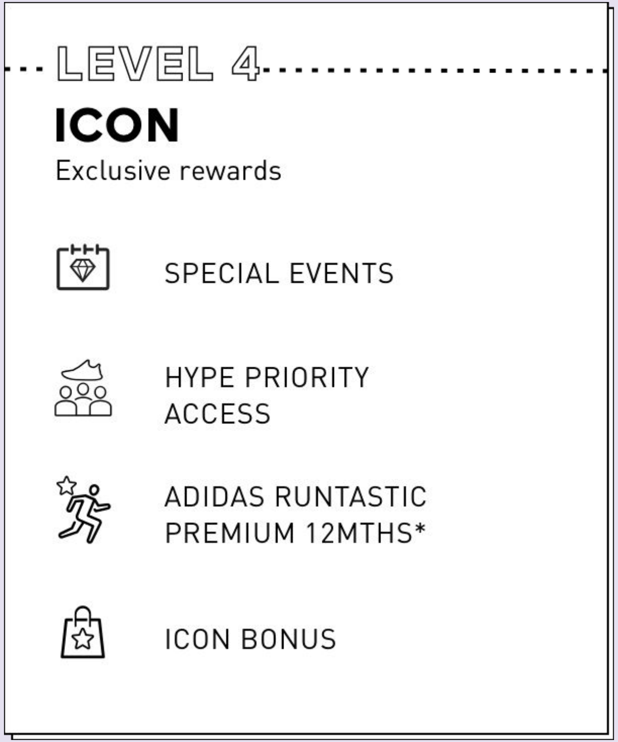
- ➔ Subscription models are an easy way for firms to increase loyalty and provide a new earnings model. In many cases, these can be a win-win for both firms and consumers.
- ➔ Subscription models only work if the offered service is of value to consumers. Firms need to understand their consumers and work with them to develop subscription offerings that are truly valuable. A critical mass is needed to make these viable in the long term.
- ➔ Many subscription services can also be targeted to new consumers. These can also be a fully ancillary business to the main product line and a way to, for example, gain data and knowledge about the market. This can feed into development activities and fuel new business lines (e.g. the Walmart example).

Trend 2: Cherishing brand advocacy

For many firms, the way that they engage with their consumers and cherish brand advocates puts them on top of their competitors. Different types of engagement through, for example, digital membership programmes and even gamification, can be the difference between loyalty and advocacy, and brand switching.

Digital now provides firms with many tools for engaging with their consumers. Besides social media, brand-specific applications enable firms to gain real-time data about their consumer base, and, for example, through membership programmes or membership tiers, create special offers for their more loyal consumers. At best, this can facilitate co-creation and immediate feedback of new products or other development activities. This is a win-win for both firms and consumers alike.

In 2020, traditional marketing activities were hampered, meaning that those firms already with a focus on brand advocacy and, for example, membership programmes triumphed. In the future, consumers will likely only continue to look for more personalised rewards and offerings from the brands that they love and cherish.



Adidas

In 2019, Adidas launched the “creators club” to create new ways with which to interact with its loyal consumer base. The club links all Adidas apps, events, communities and channels within one single consumer profile.

Creators Club is a free Adidas membership programme that enables consumers to unlock exclusive Adidas features. Consumers earn points with every Adidas purchase and interaction to increase their level and gain access to many different kinds of rewards and features.

The more that consumers purchase, attend events, and participate in Adidas communities, the more they will be rewarded. There are (currently) four different levels of the Creators Club, each with an exclusive set of rewards.

STAGE 5:

Key learnings

- ➔ Firms need to continuously find new ways to engage with their consumers. This engagement is important to fuel brand advocacy and make their most loyal consumers feel like they are cherished.
- ➔ Digital membership programmes are one way for firms to customise and tailor offers so that the most loyal consumers gain more. This can also mean, for example, special events and even co-creation.
- ➔ Traditional loyalty in terms of financial benefits is not everything, but rather consumers now expect a combination of both tangible and intangible rewards. This requires rethinking many marketing efforts.

Trend 3: Gifts and gamification now used to reward customers

One way to increase loyalty is through gamification. Here, for example, augmented reality provides new ways to engage particularly younger consumers and, for example, provide gifts and prizes to consumers from such campaigns. In markets, such as Asia, where AR is the new norm for many firms, this can be a way to appeal to new consumer segments and find new growth.

AR is a particularly relevant tool for many brands due to the interaction opportunities it provides also outside the store space. This opens up many opportunities for attractive content. Obviously, this content has to be relevant and the potential prizes significant in order for consumers to be incentivised to download and engage with the firm's digital offerings.

Personal devices are now very important means for reaching consumers. Firms that use smartphones and other smart devices to engage with their consumers have an edge and enable them to expand their customer experience to environments also outside of the store.

Lancome

In 2019, Lancome teamed up with Alibaba to launch an AR game for the Chinese New Year.

Using Alibaba's image search technology and cloud services, consumers could interact with Lancome's products across Hong Kong. The most active consumers could receive a number of different kinds of prizes.

The pilot enabled Lancome to craft new ways with which it could interact with Chinese consumers and also better understand the needs of modern consumers using Alibaba's advanced data analytics capabilities.

STAGE 5:
Key learnings

- ➔ Digital technologies, such as AR, provide many new ways to bridge the physical and digital realms. This can help reach altogether new consumer segments.
- ➔ AR is a particularly useful tool for gamification and for bringing the firm and its brands alive also outside of the store environment. Today, this is particularly important.
- ➔ It's important to remember the importance of network effects and the fact that any digital service or game is as appealing as the brand and, for example, the potential benefits offered to participants, e.g. in terms of gifts and rewards. Digital is not everything but any new apps and campaigns need to be combined with other marketing activities.

Trend 4: Authenticity and experience sharing becomes critical

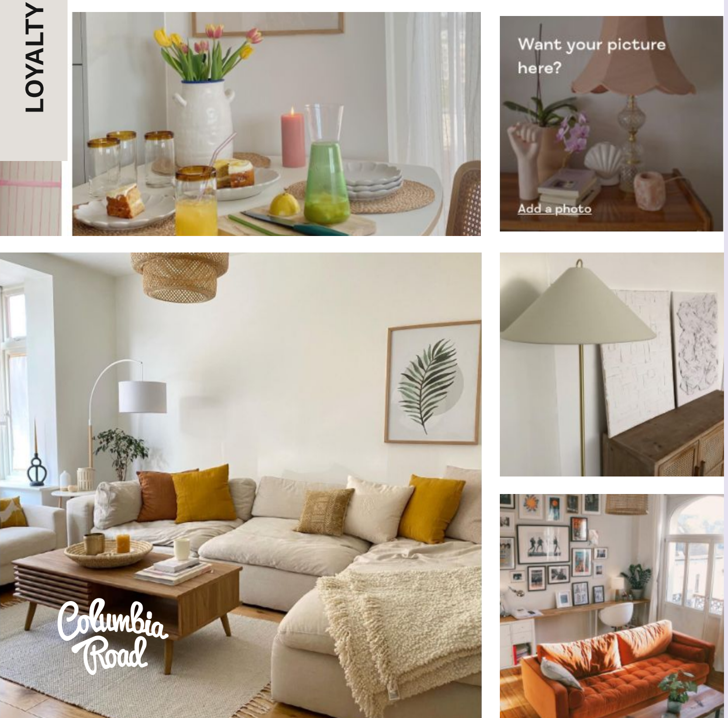
One way for brands to differentiate is through authenticity and by truly relying on their consumers' voice in their marketing and brand messaging. This is a refreshing differentiator for many brands in a photoshop and digital marketing agency driven age. Authenticity is much more than just a specific campaign but is, at best, a whole brand philosophy.

For example, brands today can use their consumers' reviews and product images in their marketing to highlight their products. At best, this can even enable new virtual communities and brand advocacy of its own when consumers share best practices and product tips with one another. Some brands go as far as using the product images taken by their consumers in their product pages, a refreshing differentiator to the standard studio quality, white background product images.

Authenticity is a game changer and something that can help improve loyalty and brand appeal in the long term.

Shop Instagram

Mention @madedotcom in your Instagram photos, or upload below, for the chance to be featured on our site. Seen something you like? Shop the look straight from this page



Made.com

Every Made.com product page has a “call-to-action” asking users to send pictures of Made.com products in their home. It calls this ‘real inspiration’. Featured products receive £15.

Showing consumers photos of the products in other consumers’ actual homes helps the retailer connect with its consumers and also provide more authenticity, i.e. in contrast to only relying on stock or studio-quality photos.

In addition to the use of user-generated content, Made.com also has social network “Unboxed”, which enables consumers to share product images and also ask questions about the items from other consumers. The brand is, thus, very much about showcasing both real people and real furniture.

STAGE 5:
Key learnings

- ➔ Authentic and consumer-made content is an excellent way for firms to differentiate from their competitors. Not only does it engage loyal consumers but it also makes it possible for the firm to seem more authentic online.
- ➔ The best brands are building communities and essentially internal social networks around user-generated content and sharing brand experience with one another. This can be important for consumer engagement.
- ➔ Consumers are evidently looking for brands who truly connect with their consumers in contrast to more traditional and generic ones.

Trend 5: From one-off purchases to retailtainment

Today, brands are finding many new ways and channels to engage with their consumers. By being present on new and growing channels (e.g, Tiktok), firms can ensure that they are on top of recent consumer trends and may even find success with their own campaigns. Not every campaign will become viral, but those that do have the chance to hugely increase brand visibility and loyalty towards the firm.

While popular in Asia, retailtainment is also becoming growingly popular in Western markets. This means, for example, retail shopathon-type events where a a focus is on entertainment and entertaining content instead of specific products or items. This a very different way to do commerce altogether.

It's clear that traditional tools to foster loyalty are not working for millennials and younger consumers. This means that firms need to actively look for new ways to engage with their consumers and take on new forms of engagement, e.g. through interactive and engaging content.

Guess

Fashion brand Guess has since 2018 used its brand to target millennials and generation X consumers. This moves the brand from retail to retailtainment and enables forming new connections with its loyal customer base. This means reaching consumers who are now looking to share images of their latest fashion looks and items on social media – rather than relying on influencers, they are now using their customers to create entertainment themselves and act as brand ambassadors online.

Its first TikTok campaign, the #InMyDenim challenge, encouraged teenagers and young adults to share some of their favourites from Guess by uploading their own videos on Tiktok. In these videos, users go from looking disheveled to glamorous, with their "after" transformation look featuring Guess apparel.

Guess's journey on Tiktok has been highly successful. For example, the #InMyDenim challenge received over 50+ million views, and tons of user-generated videos.

STAGE 5:
Key learnings

- Retail is essentially combining entertainment to form 'retailtainment' where firms move away from traditional marketing channels to create new types of shopping events and frenzy around their products. This promises to reimagine how firms market and reach their consumers.
- Firms need to identify the channels used by their consumers and be present in the most relevant one(s). Not everything will work, but those that do will be likely highly beneficial for connecting with both new and existing consumers.
- TikTok is, for example, an interesting channel where firms' content goes far away from traditional marketing strategies and tactics.

Summary

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CHANGE IN CONSUMER BEHAVIOUR

The digital economy is here to stay and is shaping consumer behaviour.

Innovation can happen in any and all stages of the customer journey and reshape the entire customer experience.

For example, one-stop shopping solutions like Amazon Prime can make early stages of the customer journey obsolete.

CHOOSE YOUR ECOSYSTEM

Firms now need to decide which ecosystem they belong to.

Make, buy or join are each viable strategies, with many strategic considerations attached.

THINK SUSTAINABLY

Sustainability and the circular economy are a growing trend across the customer journey.

Better predicting demand, minimising returns, innovating sustainable delivery methods or reinventing peer-to-peer shopping are all ways that contribute to the circular economy.

This space will see much innovation in the 2020s.

Digital consumer sales megatrends

ON-DEMAND

Whether it's by making shopping frictionless or improving the last-mile experience, digital consumer sales are now about getting anything delivered whenever, wherever.

PERSONALISATION

Firms now have vast data available about the needs and desires of their individual consumers, and this is used to fuel new business models and target increasingly niche segments.

PLATFORMS

The big platforms are only becoming more and more dominant as we speak. Now is the time to decide which strategy to take regarding digital retail giants like Amazon.

SUSTAINABILITY

The circular economy is here to stay and is already providing competitive advantage to firms piloting new ways to help save the planet.

Next steps

Find relevant ecosystems and build new partnerships. Retail today is much more about partnerships than ever before. You don't have to do everything yourself, but you can rely on new partnerships (e.g. in delivery) to meet the needs, for example, for faster, more sustainable deliveries.

Embrace data. Data is the new currency. Consumers expect that customer experience is tailored to their needs and that they receive targeted messaging across the customer journey.

Innovate, innovate, innovate. Tomorrow's consumers require more personal and more sustainable business models. There is much room to grow in this space.

Know your consumers. You don't need to be present in every channel but in those that count. Moving from inspiration to checkout must be as frictionless as possible.

Columbia Road is the leading technology consultancy in the Nordics, focusing on digital sales. It offers customers holistic sales optimisation and automation, from customer acquisition to technical architecture solutions and technical build and development for digital sales channels.

The company, currently employing over **130 consultants** in **Finland** and **Sweden**, has grown annually with an average growth rate of 70% and operates as a part of the Futurice Group. The company has B2C as well as B2B clients, including companies such as Framery, SAS, Alko and Posti.

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