The Total Commerce Playbook
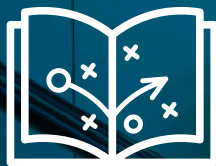
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Introduction

By Vikalp Tandon & Jon Reily

Traditionally, brands have looked at commerce as a **moment of monetization** of an interaction they have with a customer. In this regard, some have been delivering commerce better than others—embedding transactional capabilities in the experiential journeys they offer to their customers instead of redirecting customers to separate, prescriptive shopping environments that live outside of the experience. However, commerce can be—is meant to be, rather—much more than that.

After all, monetizing the expression of its brand is the ultimate objective for a business, as it is what makes up the revenue that keeps it profitable. So, why shouldn't commerce be the focal point that informs the way in which the business sets itself up for success, and why shouldn't it represent the area in which a brand should try hardest to innovate?

A commerce transaction denotes an interaction, an inflection point in the customer experience where, in most cases, the **maximal level of attention is paid to the brand.**

Therefore, it holds the potential to allow the brand to know and understand customers, to turn them from casual buyers into subscribers, and eventually grow them into loyal advocates more than any other type of interaction.

Commerce should stop being viewed as a mere means to an end. It should rather be seen as the pivotal customer experience. It's not just the realization of an opportunity; when done right, it becomes the engine to

create an endless number of them, and unlock exponentially greater value for the brand.

Commerce is now a priority for absolutely every brand in any industry vertical. The recent changes to our way of living have made it clear just how important it is for a brand to be able to reach consumers directly. They have also brought to the fore a number of commerce use cases that are becoming prevalent to satisfy consumers' desire for transparency, commitment, and convenience from brands. According to eMarketer, "U.S. consumers will spend $709.78 billion on ecommerce in 2020,

representing an increase of 18.0%." [1] This means that there is great growth potential for brands that are willing to invest in innovating themselves and to make commerce innovation their priority.

Commerce can be the all-encompassing relationship with your customers, but it's been boxed into a silo—the "store." Not necessarily a physical store or a digital store but the store in the sense of the expectation that customers will flock to the brand to access what it has to offer. We now live in a customer-driven market, and **we are entering a post-store era.** The brands that are going to succeed in it are the ones that are going to break these boundaries and make commerce as easily evocable as possible by customers, wherever they are and in the moments that matter. Doing this requires fully adopting a "total commerce" approach at every level of the organization, from strategy to operations, from branding to technology.

"Total commerce" is, at the same time, an aspiration and a framework to establish and extend the maturity of a brand's commerce capabilities in a number of areas that need to be addressed in order to have a competitive and compelling commerce offering, regardless of industry vertical. From media, creative, and CRM, all the way to how the supply chain is managed to compete on fulfillment and delivery, brands need to apply a commerce mindset in every area of their operations and make as much of their output as immediately and conveniently "shoppable" as possible in order to reduce to the bare minimum the level of friction buyers may experience throughout their journey.

From web and mobile to social, voice, video, AR, VR, IoT enabled devices, marketplaces, customer service, and physical locations with their own interactive experiences, **the number of channels used by brands and customers to interact is growing exponentially, and the advent of 5G networks is only going to accelerate this phenomenon.** This type of complexity requires a different kind of thinking for the shopping experience to flow seamlessly through the orchestrated systems that need to support it.

The first section of this playbook will discuss the areas of differentiation we take into consideration in our "total commerce" framework and how different commerce practitioners can address them with different levels of depth, based on where their organization currently sits from a maturity standpoint.

The second section will address specific industry verticals that are undergoing—or are in need of—profound commerce transformation (consumer product goods, retail, automotive, and B2B) and discuss some of the challenges they are facing.

"Total commerce" is also a set of solutions. Throughout our journey, when appropriate, we will open a window into some of the solutions Dentsu Commerce has harvested from our experience helping some of the world's largest brands evolve (or, in some cases, build from scratch) their transactional experiences.

We recognize that every organization has its unique challenges and different sets of priorities and aspirations. At the same time, we know just how rapidly consumer expectations are growing and, in turn, how rapidly your commerce capabilities are required to handle more complexity. By adapting some of our industry-leading solutions, we can extend in an accelerated fashion the completeness and depth of your commerce offering.

Taking commerce beyond the store and evolving it from a moment into a relationship requires injecting an understanding of human motivations, needs, and action into every aspect of how a brand expresses its differentiation, how it generates interest, how it operates its business, and how it enables customer experiences through people and technology. Most importantly, it requires consistency between all these areas and, therefore, the ability to intervene dynamically across all of them.

This is the reason why we created Dentsu Commerce: to make available to brands years of experience delivering commerce strategy and consulting, outstanding creative, world-class technology integrations, and unparalleled people and data insights within a single organization, creating a category of one in the market in terms of breadth of capabilities combined with agility in putting them into action.

Enjoy the read. We hope this is just the start of our journey together.

Vikalp Tandon
Global President
Dentsu Commerce

Jon Reily
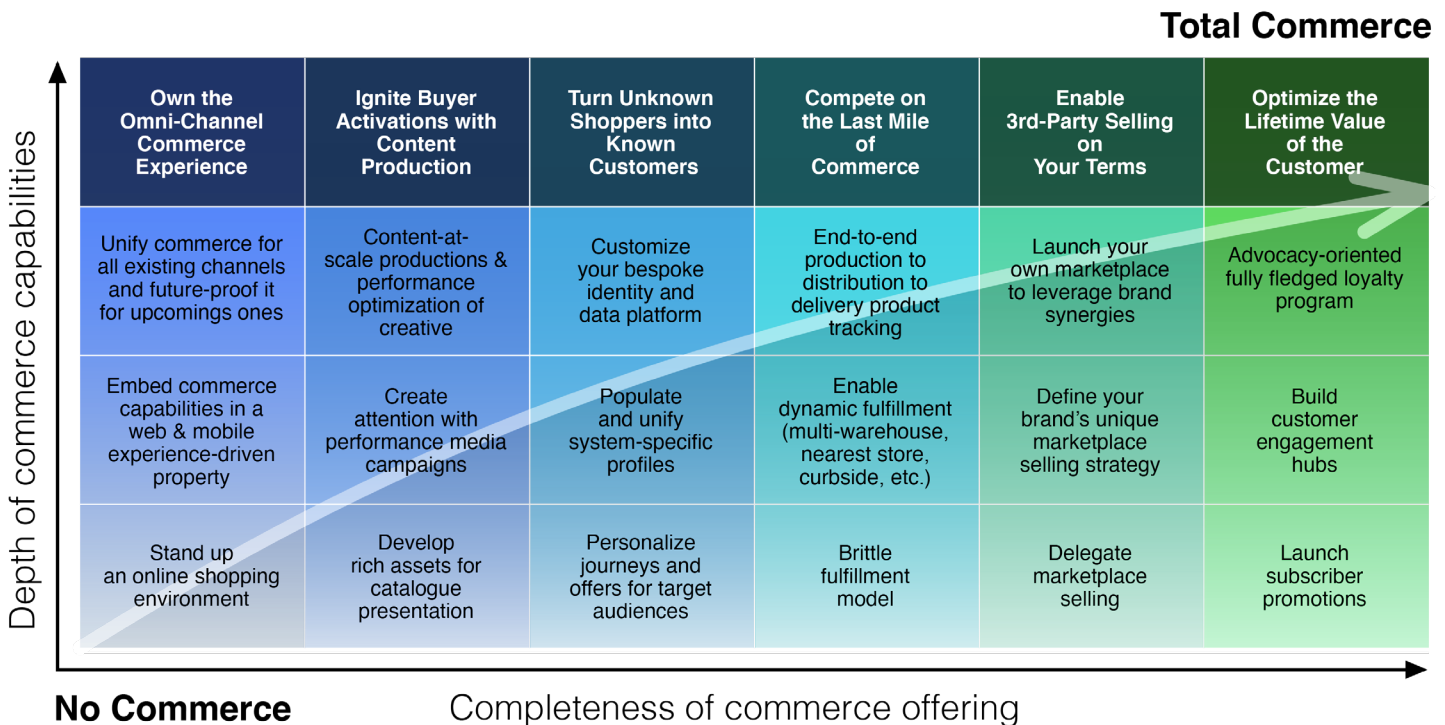**SVP, Global Chief Strategy Officer**
Dentsu Commerce

02
The Path to Total Commerce

What are the areas a brand needs to address in order to have a complete commerce offering? What are the pillars upon which an organization can build a "total commerce" proposition?

Naturally, the transactional capabilities needed to enable buyers to complete shopping orders are the must-haves for a brand to begin its commerce journey. However, funneling these capabilities in a standard web and mobile online store may not be enough. The number of touchpoints that inundate our day to day is constantly growing and, ultimately, in order to differentiate, brands should aspire to making commerce available through all of them and **own the omni-channel commerce experience.**

The advent of digital technologies has given customers virtually unlimited access to information. Brands used to mostly compete on price and product and had to only do so within their industry vertical. But now, regardless of the sector they belong to, they are all competing for the very same limited currency: customers' attention. Customers no longer "go shopping," but rather are "always shopping."

This means that buying often happens in a stop-and-go fashion, constantly intersected with other elements of our lives: productivity, entertainment, family, lifestyle. "Customers are now benchmarking their experiences laterally" [2], which means that brands need to deliver content that makes them stand out among the producers of any type of content, whether its commercial or not, in order to capture their attention, and they need to be able to do so at scale. Ultimately, these days, every brand is also a publishing business or is on a journey to build one. To fuel their commerce engines, brands need to **ignite buyer activations with accelerated content production.**

Total Commerce

Own the Omni-Channel Commerce Experience	Ignite Buyer Activations with Content Production	Turn Unknown Shoppers into Known Customers	Compete on the Last Mile of Commerce	Enable 3rd-Party Selling on Your Terms	Optimize the Lifetime Value of the Customer
Unify commerce for all existing channels and future-proof it for upcomings ones	Content-at-scale productions & performance optimization of creative	Customize your bespoke identity and data platform	End-to-end production to distribution to delivery product tracking	Launch your own marketplace to leverage brand synergies	Advocacy-oriented fully fledged loyalty program
Embed commerce capabilities in a web & mobile experience-driven property	Create attention with performance media campaigns	Populate and unify system-specific profiles	Enable dynamic fulfillment (multi-warehouse, nearest store, curbside, etc.)	Define your brand's unique marketplace selling strategy	Build customer engagement hubs
Stand up an online shopping environment	Develop rich assets for catalogue presentation	Personalize journeys and offers for target audiences	Brittle fulfillment model	Delegate marketplace selling	Launch subscriber promotions

Depth of commerce capabilities (vertical axis)

No Commerce — Completeness of commerce offering (horizontal axis)

Producing outstanding content is only effective when this is getting exposed to the audiences that it is relevant for. Most of the time, customers carry out some research online before purchasing a product. It is essential for a brand to be able to "listen to" those queries and place its content in front of the right sets of eyes.

However, it is becoming increasingly complex to do so, partially because of legislation that protects consumers' data and partially because this research is often carried out through a number of devices, in a somewhat scattered way, and brands run the risk of presenting customers the wrong content (for example,

showing customers products they have already bought). Sometimes, even when they buy items online, customers do so as guest users, without fully opting in to receive communications from the brand, which means that the value of that transaction is likely to remain a standalone fact. In order to fully realize the durable value of their commerce investments, brands need to be able to **turn the unknown shopper into a known customer.**

We live in a convenience economy. Customers purchase based on experiences, and bad experiences can mean not only that customers aren't coming back, but also that they are

deterring others with poor reviews. Consumer expectations are extremely high when it comes to the content that they are being served. Because of specialized players like Amazon, they are also extremely high when it comes to the ability to receive products and services soon after they are purchased, or at least being informed of the status of an order every step of the way.

brand's commerce reach, it is not sufficient to simply surface your catalogue of products and/or services on them. To make sure that those investments are producing results and your brand's differentiation is given justice, you need to **enable 3rd-party selling on your terms.**

Lastly, brands need to leverage commerce's iterative potential. Ultimately, commerce is a relationship and like any relationship, if you do

A brand can attract buyers with compelling experiences and offer its products at competitive prices, but if it takes 3 weeks for that product to make its way across the country to the customer's doorstep, those other things may not matter. A brand's commerce offering is not complete unless that business is not able to **compete on the last mile of commerce.**

Owning the commerce experience is a priority for brands, because in today's world you simply cannot rely only on 3rd-party sellers. With that being said, it's also important to cultivate those channels and optimize them, because customers may carry out their buyer journeys through them. For instance, nearly half of U.S. online product searches start on Amazon[3]. However, whichever channels are most effective to amplify your

not put some work into it, it erodes over time. Competitors can create advantageous offers and attract your customers, unless you are continuously delivering to them some kind of value. Commerce holds the potential to let your brand fight back, either by keeping the customers' level of attention for your brand high through strategically crafted promotions, or by showing them how much your care for them amounts to when they use it to monetize other forms of engagement you nurtured them with.

A brand is not really thinking in "total commerce" terms, unless it's thoughtfully using commerce to **grow the lifetime value of the customer.**

(3) https://www.emarketer.com/content/more-product-searches-start-on-amazon

Own the Omni-channel Commerce Experience

In the early days of online commerce, it could be quite cumbersome for an enterprise brand to stand up a webstore. The early platforms that populated the market were brittle and monolithic, which meant that making changes to the way content was presented to the consumer often required a lot of heavy lifting. They were built to primarily serve the web channel and the advent of new devices like mobile phones and tablets started to show how much pain the inflexibility of these commerce systems would cause. In addition to that, these systems burdened organizations with infrastructural challenges, as most often they needed to be managed in the brand's own environment.

Thankfully, these days the biggest commerce platform players in the market have perfected **cloud-based solutions** that ship with incredibly rich libraries of content-displaying templates and can serve very dynamic shopping experiences to buyers on both web and mobile interfaces. Nonetheless, creating a new online commerce presence and adapting these systems to a unique business model can be quite challenging for a brand, and leveraging subject-matter experts who specialize in implementing and optimizing these systems is highly recommended.

18%

increase in U.S. ecommerce spend expected in 2020 [1]

$3tn

forecast growth in global ecommerce sales between 2019 and 2023 [4]

7.6

touchpoints involved in a typical shopping journey with retailers today [5]

Standing up an online shopping environment is a brand's most basic step toward owning the omni-channel commerce experience. If it's left on its own to operate as a digitized version of a print catalogue, your brand may be missing some significant engagement opportunities. **Experience-driven** commerce is an approach by which brands embed transactional capabilities such as add-to-cart or promotions within the rich experiences they deliver to their customers. In essence, when your audiences are visiting a beautifully designed look book, or reading content on a blog, or taking part in an interactive journey you built to attract them, you want them to be able to purchase your products and/or services from within the experience, without having to be redirected to a separate shopping environment because that may alienate them.

4) https://www.statista.com/statistics/379046/worldwide-retail-e-commerce-sales/
5) https://www.digitalcommerce360.com/industry-resource/capturing-a-360-degree-view-of-todays-omnichannel-shopper/

dentsu AEGIS network

In order to adopt an experience-driven commerce approach, organizations often decouple their commerce architecture, so that their transactional system is only handling the functions that it is purpose-built for (managing catalogues and promotions, capturing orders, and validating inventory availability), while the rest is handled by a **digital experience platform.**

Setting up this type of architecture allows organizations to move faster when new touchpoints emerge in the market and consumers start to expect commerce to be made available through them. From voice-assistants, to kiosks, to mobile points-of-sale, all the way to augmented and virtual reality, innovation is moving so fast that customers are now buying in ways that ten years ago may have only been science fiction. And who knows what's going to be the next novelty that will quickly turn into an expected commodity?

In order to reach full maturity in their ownership of the omni-channel commerce experience, brands need to **unify their commerce setup for all existing channels and future-proof it for upcoming ones.**

This means that no matter where a customer transaction occurs, online or in-store, on a mobile phone or through a voice-assistant, it is underpinned by the same brand-operated central commerce platform. The advantages that this type of set up brings are humongous: your business will get a single view of all customer purchases, which means that you will be able to devise marketing strategies that are going to be extremely effective. In addition to that, if you need to expand the array of commerce capabilities you offer to buyers, you will be able to add them iteratively in a microservices-based architecture and expose those capabilities where they are needed, instead of having to rebuild single-use applications and re-implement core systems in order to keep up with innovation.
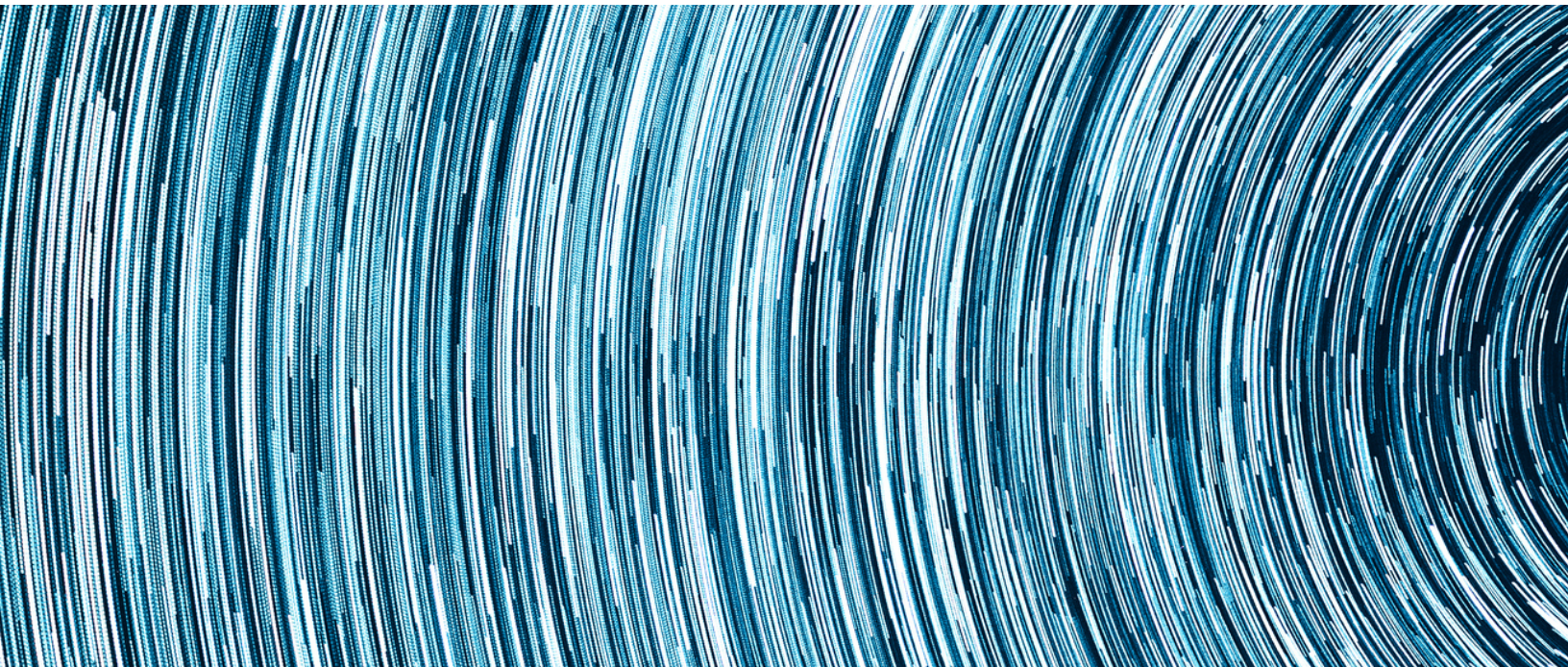
How we can help

Fast Track Commerce

Whether you are looking to launch your first online storefront or need additional features to **enhance the commerce experience,** our accelerator model enables you to **grow your digital commerce business in a matter of weeks.** Thanks to a simplified process and pre-integrated capabilities, we help you take advantage of the leading platforms in the market in a cost-effective way.

Our **Direct-to-Consumer** accelerators deliver an online shopping environment in **4 to 6 weeks** inclusive of:

- Commerce platform implementation (Adobe Magento or Salesforce Commerce Cloud) with standard out-of-the box capabilities
- Homepage, product landing pages, product detail pages, search, cart & checkout, order history, my account page to manage customer profile
- Catalog rendering, currency & language setup
- Store locator, geolocation on mobile
- Tax, payments, customer service, and fulfillment integrations

Ignite Buyer Activations with Content Production

As a result of the recent lockdown, the average time spent on media by U.S. consumers in 2020 is expected to rise by 1 hour per day in comparison to 2019, reaching an average of 13 hours and 35 minutes daily. [6] While driven by extraordinary market conditions, this rise is to some extent consistent with previous trends and gives us an idea of just how much content shoppers are constantly being exposed to. Digital technologies give brands with an online commerce presence virtual access to 4.57 billion people around the world, but do the same for everyone else. And that's not just competitors within their industry vertical, it's anyone who is producing any type of content, from ecommerce stores to countless pages on marketplaces, from home videos featuring kittens to the series finale of Game of Thrones. Everyone is competing for the same attention. In this environment, **brands need to produce outstanding content in order to attract buyers and keep them focused on their commerce experiences.**
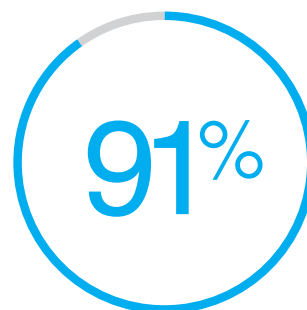
The most basic level of content production that commerce requires is the production of digital assets that represent product inventory to populate the catalogue for the brand's online store.

13:35 hours
average time expected to be spent with media daily by U.S. consumers in 2020 [6]
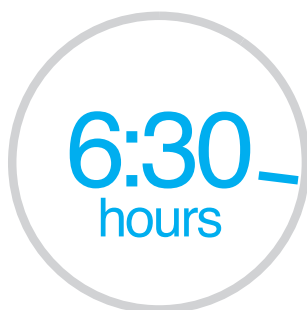
6:30 hours
time spent on the internet daily by the average person in 2019 [7]

91%
percentage of internet users visiting online stores in 2019 [8]

These days we expect from a brand's merchandising offering pristine, pixel-perfect photography, a vast quantity of points of view and product variants, sometimes even the ability to digitally configure the customized product we are ordering. But producing content for an online store is only part of the task.

A more mature brand ensures that all of the content it serves across all channels and any type of media (from advertising, to print, to social media and product placements in online ads and marketplaces) is consistent

with the imagery in its own digital shopping environment, so customers' experience of the brand is not disjointed. And, as much as possible, a brand should make those product representations present across all media as easily "shoppable" as possible, by surfacing transactional capabilities within those experiences.

Ultimately, brands that strive for "total commerce" maturity look to **maximize the scale and efficiency of content production** through technology-enabled, highly curated and managed engagements.

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(6) https://www.emarketer.com/content/us-time-spent-with-media-2020
(7) https://www.bondcap.com/pdf/Internet_Trends_2019.pdf
(8) https://datareportal.com/reports/digital-2019-internet-trends-in-q3

How we can help

Symphony Merchandising

In order to create attention and sustain engagement with a global customer base, enterprise grade commerce businesses need to deliver on their brand promise with consistent quality standards across an ever-expanding galaxy of content assets. From social, video, photography, animation, print, editing, visual FX, AR and VR, all content production efforts need to support a creative strategy that is consistent with the aesthetic of web and commerce content and entices audiences across different markets to embark on transactional experiences. However, faced with the demands that arise with such scale, brands often see quality and market efficacy being sacrificed in favor of cost efficiency.

We have developed a **tech-enabled solution that supplies to brands content production with artisanship quality at scale,** allowing them to meet both global consistency and local variation. Content Symphony gives you efficient, nimble, one-stop shop access to specialist creative and production resources distributed across our global network including the CGI capabilities that are key for product content production and Dynamic Creative Optimization to deliver content dynamically to media, marketing and commerce channels.

Our exclusive model is powered by a proprietary technology platform that gives us full control and visibility into the entire content lifecycle: creative intelligence, storage & management, creative tools & content marketplace, workflow management, data, AI & automation, and content delivery.

Turn Unknown Shoppers into Known Customers

Enticing content is only effective in attracting buyers as long as it is being surfaced to the right audience. An initial exercise that businesses go through to ensure they are increasing their chances of delivering their commerce experiences to prospects who are interested in their products and services is **defining their target segments and personalizing their content and journeys** to make them resonate with the priorities and behaviors of those segments. These tactics, combined with search engine optimization and content syndication, can heighten the level of visibility of their commerce initiatives in front of the right sets of eyes.

But attracting shoppers is not the same as knowing them enough to make sure you are maximizing your chances to complete the sale and, most importantly, not the same as knowing them enough to make sure they will be coming back. A typical retailer can only identify 16% of the customers they interact with online. [9] Even when customers are making an ecommerce purchase, they are often doing so as guests, only submitting the information that is strictly necessary to pay for an order and receive it, without signing up for an account. Delivering some type of value offer to the customer in exchange for the creation of a profile is a sound tactic.

16%

a typical retailer can identify 16% of the customer they interact with online [9]

+10%

logged in users spend 10% more per order than guests, on average [10]

90%

marketers struggle to connect more than three channels on the buyers' journey [11]

After all, logged in users spend 10% more on average than guests [10], and that's just the most apparent benefit: most importantly, it's going to be much easier for the brand to re-market to customers who create an account.

There's no such thing as too much information about your customers but handling a lot of it can be challenging. Large businesses use Customer Relationship Management systems to store, track and dissect data about their customers and prospects. Integrating your

CRM system with the commerce platform that powers your online shopping presence is crucial to make sure your commerce data is feeding into the bigger picture.

(9) https://www.digitalcommerce360.com/industry-resource/capturing-a-360-degree-view-of-todays-omnichannel-shopper/
(10) https://www.moovweb.com/the-truth-about-guest-checkout/
(11) https://appmarketingminds.com/45-productivity/

dentsu
ÆGIS
network

However, sometimes the same customer may have multiple system-specific profiles that are associated to either the commerce platform, or a separate marketing system, or a tool used to deliver customer service. For an organization, getting a **single view of the customer** means preventing fragmented interactions, gaining accurate insights and being able to leverage improved data for decisioning.

In general, the consumer data space is being revolutionized and marketers need to adapt if they want to make sure their investments in commerce experiences are not going to end up having a drop in the ocean effect: new legislation such as the General Data Protection Regulation (GDPR) in the European Union and the California Consumer Privacy Act (CCPA) in the United States is being enforced to protect customers' digital rights. As a result, businesses' ability to leverage 3rd-party data and cookies in their digital marketing initiatives is hindered.

In order to overcome these challenges and ultimately be best equipped to turn unknown shoppers into known customers, a brand needs to adopt an **enterprise-scaled identity solution.** By using PII-based data for all consumers, attributing interactions across all online and offline touchpoints to a specific person ID, and managing information in a privacy-safe data and analytics environment, this type of solution ensures that the brand's investments in experiential and transactional capabilities pay off, while keeping it compliant to regulations.

How we can help

Merkury

M

Commerce brands' ability to identify and target audiences is in the process of being hindered by a number of concurring factors: new consumer data regulations; the depreciation of the third-party cookie; Facebook, Google and Amazon packaging their marketing services and offering access to their data through a Walled Garden approach to further monetize their ad ecosystems.

To help brands overcome this paradigm shift, **our enterprise identity platform Merkury gives digital businesses the ability to power meaningful and resonating commerce experiences with first party identity data** that can be controlled and customized to best fit each organization's unique business model.

The solution is comprised of four key components:

- **PII-based person ID** for all U.S. consumers and households with **offline and digital ID resolution**

- Proprietary and marketplace partners **3rd-party data**

- **Person ID graph connections** with an interface for audience creation

- Clean room for securely keying in data and analyzing it in a **privacy-safe environment.**

Compete on the Last Mile of Commerce

Amazon has 112 million Prime subscribers in the U.S. [12] While building an empire on its ecommerce marketplace, this multinational giant set an extremely high bar in terms of consumers' expectations about what should happen after they place an online order. The expression "the last mile of commerce" is used to refer to the movement of goods from a fulfillment center to their final destination. Pure-play ecommerce businesses put humongous focus on being able to deliver to customers the day after an order is placed, or even within the same day. It's quite tough for brands to be able to meet these standards. However, in order to build credible commerce businesses, they need to be at least competitive with them.
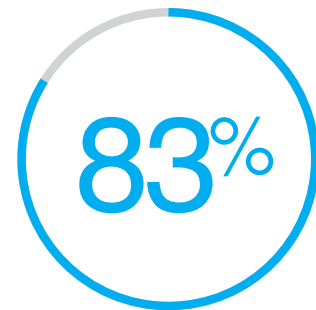
The most basic "last mile" offering a brand can deploy is based on a **brittle fulfillment model** based on a single, centralized warehouse that manages all of the orders. As much as partnerships with specialized delivery service providers can help the business improve its "last mile" performance, a brittle fulfillment model often means that the farthest the customer is from the warehouse, the longer it will take to receive an order.

15%	30%	83%
U.S. consumers say online retailers always offer shipping options that meet their expectations for speed of delivery [13]	U.S. consumers say Amazon always offers shipping options that meet their expectation for speed of delivery [13]	U.S. online shoppers expect regular communication about their purchases [14]

A more advanced approach contemplates a **dynamic fulfillment model** in which multiple warehouses provide the business with more widely distributed inventory over the region it serves. By implementing bespoke orchestration between dedicated systems, the business can ensure that the warehouse with product availability that is located closest to the customer fulfills the order, which greatly reduces delivery times. It can also leverage physical stores that have the item ordered by the customer online in stock to act as fulfillment warehouses, or enable ecommerce shoppers to pick up their order curbside on in store at a physical location.

Ultimately, when it comes to the last mile of ecommerce, information is everything. Customers often tolerate waiting as long as they feel informed. **Absolute visibility into the supply chain process enables brands to reduce latencies every step of the way, from production to distribution, from fulfillment to delivery, increasing their last mile competitiveness.** And that's not the only benefit: orchestration between commerce, inventory and supply chain tracking can enable a business to minimize its reliance on forecasting and produce items on demand, thus reducing its losses and environmental impact.

(12) www.statista.com/statistics/546894/number-of-amazon-prime-paying-members/
(13) https://www.walkersands.com/wp-content/uploads/2018/07/Walker-Sands_2018-Future-of-Retail-Report.pdf
(14) https://see.narvar.com/Connecting-with-Shoppers-Report.html

How we can help

Dentsu Tracking

Brands are looking for better ways to create connections with customers and deliver to them a satisfactory experience. **Dentsu Tracking turns the product itself into a core asset for a total commerce relationship by providing end to end, real time traceability.**

This solution provides **data across the entire product journey,** from manufacturing to distribution and retail, and from sales to service and re-sale, helping brands meet customer expectations and better understand the market. Brands can now take advantage of benefits such as:

- Stock & inventory management, campaign & sales performance tracking, instant retail insights

- Trusted proof of ownership for secondhand & resale opportunities

- Lifetime service history for repairs and warranties, and push mechanisms for upgrades and new feature enablement

- Grey market intelligence & distribution to protect brand equity across the entire supply chain cycle

Enable 3rd-Party Selling on Your Terms

Customers reward compelling experiences with their engagement, which is why it is an imperative for brands to invest in owning their own online commerce environments. But, as much as they need to compete with Amazon and other marketplaces from the point of view of controlling the experience of their brands, businesses need to also recognize just how central these players have become in consumer habits and partner with them. Almost half U.S. online product searches start on Amazon [3] and 41% U.S. consumers receive one to two packages from Amazon per week. [15] Being able **to have their products visible on this and the other major marketplaces is now an imperative for brands,** and the most basic type of 3rd-party selling enablement they need to pursue.

However, simply being present on Amazon may not be enough. When it fully delegates its catalogue merchandising, a business may end up seeing its products returning in search results after "no name" alternatives and its brand not being properly represented. A further step in 3rd-party selling enablement consists in **defining a marketplace strategy that ensures your goals are being protected.** For instance, some brands go as far as setting up their own branded stores within those experiences.
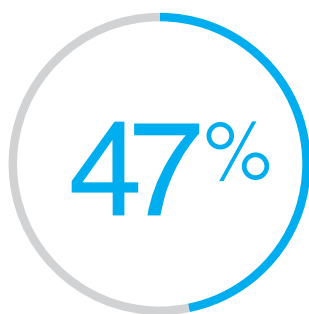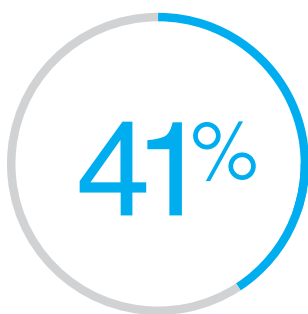
47%

U.S. online product searches start on Amazon [3]

41%

U.S. consumers receive one to two packages from Amazon per week [15]

70%

the average cart abandonment rate across all industries is nearly 70% [16]

A brand reaches ultimate 3rd-party selling maturity when, in addition to striking partnerships with popular marketplaces, it builds its own marketplace to deliver a consistent ecosystem experience to its customers. A lot of brands belong to wider ecosystem plays, because it is not sound for their business to take on the production and distribution of all the components that their products and services need to operate or can be accessorized with.

For instance, this is the case for automotive manufacturers that rely on the brands that produce tires or batteries to power their vehicles. Implementing marketplace management solutions to surface those brands' external inventories of products and services that are compatible with their vehicles ensures that customers are able to complete their shopping experience within the brand's own environment. The average cart abandonment across all industries is nearly 70% [16], and it's definitely not a behavior you want to encourage by redirecting customers elsewhere and increasing the chances of them getting distracted.

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(15) https://www.walkersands.com/wp-content/uploads/2018/07/Walker-Sands_2018-Future-of-Retail-Report.pdf
(16) https://sleeknote.com/blog/cart-abandonment-statistics

How we can help

Amazon Consulting

Our consultants work with brands to formulate their entire Amazon strategy, from logistics assistance to pricing and retail advice to building and refining optimized media plans. Our services span across all aspects of retail and marketing to help clients leverage every possibility on Amazon and other ecommerce marketplaces.

Our engagements commence with a thorough and actionable audit to assess your current marketplace set up, so we can identify how your brand can leverage opportunities one normally doesn't associate with Amazon and make recommendations to optimize your approach. Our audits analyze and improve your brand's:

- Amazon customer experience
- Marketplace branding
- Retail & pricing strategies
- Store layout and operation

- Search engine marketing
- Supply chain
- Advertising opportunities
- Innovation opportunities

Optimize the Lifetime Value of the Customer

In order to adopt a "total commerce" mindset, brands need to move away from thinking of commerce only as the culmination of an interaction with a customer and rather need to constantly find deeper ways to leverage it to create new opportunities for engagement. According to Forbes, "A 2% increase in customer retention is the same to profits as cutting costs by 10%" [17] and commerce is an excellent vehicle to achieve this: 30% consumers say they would rather buy from a website they bought from previously. [18]

The most immediate way to use commerce to grow the lifetime value of a customer is to send promotional offers to users who created an account, treating them as VIPs and giving them the perception that their patronage is being rewarded with perks that have a monetary value. No one loves seeing their email inbox get flooded, but most of us are open to sharing our data and dedicating some of our time in exchange for convenience: 61% consumers enjoy receiving promotional offers via email weekly and as many as 28% state that they'd like to receive them more than once a week. [19]

30%

consumers say they would rather buy from a website they bought from previously [18]

28%

consumers state that they'd like to see promo offers more than once a week [19]

30%

online consumers have posted product feedback online [20]

Companies that go one step further in growing the lifetime value of their customers build dedicated engagement hubs for them.
In these environments, customers take part in surveys, interactive experiences, sometimes contests involving the promotion of the brand on social media. In addition to advocacy, brands use these tactics to get deeper insights into their customers, so that they are more likely to serve them experiences that will resonate. Commerce does not always have to be connected with these experiences, but, when it is, they become much more powerful. Imagine how gratifying it can be to be able to use vouchers and tokens you have been awarded for engaging with a brand as currency in a transaction.

Brands that fully adopt a "total commerce" approach invest in building comprehensive loyalty programs that leverage iteratively perfected insights to create customers and advocates for life.

Ultimately, loyalty is all about improving the customers' quality of life and elevating your brand's relationship with its customers from a place of convenience to a foundational aspect of their lifestyle, a true partner.

(17) https://v12data.com/blog/25-amazing-omnichannel-statistics-every-marketer-should-know/
(18) https://sleeknote.com/blog/e-commerce-statistics
(19) https://blogs.constantcontact.com/email-marketing-stats/
(20) https://sleeknote.com/blog/e-commerce-statistics

How we can help

Human Loyalty

A loyalty program is one of the most critical opportunities a brand has to maximize the lifetime value of a customer and create brand advocates. However, most loyalty programs live right now are siloed, static, and fatigued. **Effective loyalty programs are highly experiential, integrated with the brand's technology systems, personalized for the members, and responsive to their behavior.**

We combine **20+ years of experience** delivering loyalty strategy & consulting, a proprietary cloud-based loyalty platform, data-driven insights and our expertise integrating the leading marketing technologies to design, implement and support dynamic opportunities for brands to create moments of value. Human loyalty helps brands drive continued engagement and incremental monetization throughout the lifetime of their relationship with the customer. Our proprietary platform features:

- 🔧 Rules-based Earning Engine
- ★ Offers & Promotions
- 🎁 Reward Configuration

- 👤 Tier and Badges-based Active Engagement
- 💬 Multi-channel Member Communication
- 🖥 Rest APIs, data feeds, and webhooks

03
Industry Spotlight

Regardless of the industry vertical they inhabit, all brands need to embark on a journey toward "total commerce" maturity if they want to remain relevant as customers' habits rapidly evolve. Even when we do not expect to carry out the entirety of our shopping experience online, we want to be able to do at least part of the work on the digital devices that permeate our lives, because of the convenience that goes hand in hand with this way to consume information. And this is true for any type of buyer: **we no longer accept that certain industries are a little more behind than others.**

A musician boards a flight on his way to an important performance. While getting on the aircraft, his instrument gets damaged. He expects to be able to go online and buy a new one. He may also expect the brand that manufactures it to be able to deliver it to him at the destination airport, so he does not have to look for it in a physical store on the way to the concert. Is it a realistic expectation? It does not matter: even though it does not have anything to do with product manufacturing and distribution, Uber exists and it got us used to a certain type of commodity of service, and so have all of the digital native businesses that were born to excel in a specific customer experience. **Brands in all verticals have to live up to these standards and in certain industries there is more work to do.**

Consumer Product Goods

In a world where start-ups are disrupting the market, and branding is becoming increasingly diluted due to the growth of media channels and shift in generational cohorts, CPGs are facing a world where they once were in control but are now fighting to be front of mind.

Curating an experience for the customer—from inspiration to purchase—is the future, and CPGs need to take part. Some of the challenges they need to solve in order to stand out among marketplaces and big box distributors are attributing media impressions to conversion, providing one-to-one personalization solutions, and creating loyalty programs that feed consumer evangelism.

In the post-store era, building their own direct to consumer channels is now an imperative for CPG brands to survive.

At the same time, they also need to innovate their collaborations with retail partners and, most importantly, **fine-tune their marketplace offerings.**

Creating new, digital native brands to "out-start-up" the start-up labels that keep emerging is another potential strategy to establish a modern, strong relationship with new audience demographics: subscription-based selling, membership perks, full visibility into the product lifecycle and strategies to minimize environmental impact.

Leveraging experience with CPG brands like P&G, **Dentsu Commerce provides a DTC playbook to help CPG brands rapidly re-engineer their growth plans.** The engagement consists of virtual workshops in which our experts assess current strategies, identify missed opportunities, and build an action plan for transitioning from a product to a customer orientation, comprehensive of people & process recommendations and a technology blue-print to prioritize transformation initiatives.

Zwilling

As one of the world's oldest and most adored brands, Zwilling was in need of a full-scale digital transformation to bring together its deep history and impressive offering, with an emphasis on experience – to have the innovation of their products realized in their digital presence. More than just the legendary maker of knives, Zwilling expanded into the Zwilling Group now home to some of the world's finest culinary brands. Acquired over the years, these brands were scattered across separate websites. To connect more closely with customers, the Zwilling Group needed to consolidate their brands into a unified digital ecosystem.

Using Salesforce Multi-Cloud Isobar, part of Dentsu, has led the experience design, creative, implementation and optimization of the new .com site for a global rollout across many countries and many languages. From concept to code, we created a seamless experience that ignites "complete kitchen inspiration" while elevating the content for all six brands, fusing ecommerce with storytelling. To bridge inspiration with transaction, we catered each customer's experience with a precise yet scalable content strategy.

- **50,000 new users within 3 months**
- **51% increase in sales**
- **6.9% online order increase**

Retail

While commerce numbers are on the rise, brick-and-mortar retail spending is expected to decrease 14.0% to $4.184 trillion in 2020. [21] This is partially a result of the recession and the new market conditions the COVID-19 pandemic has created, but at the same time is in line with the struggles this industry was experiencing prior. **Digital technologies have fundamentally changed our buying habits and most large retailers have struggled to adapt.**

Industry expert Doug Stephens, founder of Retail Prophet, famously states that part of the problem consists in the fact that retailers are failing to compete on customer experience, misunderstanding it for a matter of pure aesthetics or friendlier service. "True customer experience design means deconstructing the entire customer journey into its smallest component parts and then re-engineering each component to look, feel and most importantly, operate differently than before and distinctly from competitors. […] It means reconnecting with the company's unique brand story […] and weaving it into every customer interaction." [22]

Historically, large brick and mortar retail chains thrived by providing distributed inventory availability on a nationwide scale, by enabling consumers access to mass produced goods for purchase, and by providing to customers in-person experiences of those products. These days, the first two functions are being absolved increasingly better by online commerce.

Retail's re-engineering is expected to be underpinned by focus on the third function with the conversion of shopping aisles where countless shelves and racks of inventory are getting scrambled daily into highly curated showrooms where consumers get a firsthand experience of a product that is not necessarily stocked in quantity and variants in the physical shopping location.

With different stages of the buyer's journey being absolved by physical (intent, consideration) and online (awareness, purchase) shopping environments, retail brands will need to integrate these two experiences more tightly than they do today, so that customers will be able to seamlessly transition between them.

At the same time, they will also need to invest in innovative technologies to make show-rooming type of experiences available online, so that the interactions they craft to fully convey their unique brand proposition are available to all customers and are not locked away by socio-economic developments that are outside of their control. Augmented and virtual realities can be used, for instance, to deliver to consumers very "physical" product experiences in the comfort of their homes (like visualizing a full-scale rendering of a piece of furniture in an apartment).

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(21) https://www.emarketer.com/content/us-ecommerce-2020
(22) https://www.retailprophet.com/retail-getting-experience-wrong/

Cadillac

We helped Cadillac build a revolutionary shopping experience: a completely live, one-on-one 3D interaction in the slickest interactive showroom in the automotive business.

"Today's luxury consumers are increasingly time-starved and more discerning than ever. What if someone offered an experience that combines convenience and accessibility with a high level of personalization?"

- Hoss Hassani, GM, Cadillac Canada

Learn More

Automotive

Integrating online and in person experiences is also a priority in another industry that is being transformed by new consumer expectations: the automotive industry.

While today test-drives, contracting and servicing almost always occur in a physical dealership, a lot of our product research occurs online, and we demand that process to be highly experiential: **automotive brands need to be able to serve us dynamic catalogs where products can be configured interactively and bundled with services.** In order to deliver better customer experiences, automotive brands need to invest in data insights and develop attribution models to match the online consumer behaviors that are driven by their digital marketing investments with what happens in their dealerships.

In addition to that, automotive manufacturers need to solve for the ecosystem that surrounds them and start innovating their business models as **vehicle themselves become digital channels** consumers expect to be able to use for their online shopping needs. Like other manufacturers of "smart" devices, automotive brands can leverage technology enabled diagnostics to trigger seamless and frictionless up-sell and cross-sell commerce opportunities: **subscriptions to warranty extensions, monetize software upgrades, scheduling servicing and part replacements.**

Case Study

Mini

Merkle, part of Dentsu, leveraged in-depth analytics expertise to solve one of the evergreen challenges in the industry: tying online consumer behavior to vehicles sales data. Utilizing Google Marketing Platform (GMP) we gained understanding of what users do onsite, which channel drove them to the site, when they downloaded a brochure, or requested a test drive.

By appending parameters to links in MINI's post-purchase emails and some advanced configuration in Google Tag Manager and Google Analytics, we identified consumers who had purchased a vehicle and linked their IDs to understand anonymized customers' pre-sale behaviors.

Using Google Analytics 360, this rich data streamed into Google Big Query daily, allowing us to discover deeper insights. This new series of metrics enabled us to visualize the full consumer journey from beginning to end.

- **Up to 90% accuracy predicting potential car buyers based on behavior**
- **4.3x app increase in conversion rates against high probability audiences**
- **60% car buyer journeys linked from online through to vehicle purchase**

B2B

A lot of our discussion has been centered on evolving consumer habits and how these changes are driving innovation in online shopping experiences and informing the demand for more direct to consumers commerce initiatives. But what about B2B?

The reality is that B2B is also undergoing a profound transformation and one where commerce is playing a pivotal role. This change is being driven by the same consumer habits that are informing B2C innovation. While they may be purchasing at work on behalf of a business, B2B buyers are also consumers in their downtime and the digital shopping experiences they are exposed to as such inform what they expect at work.

In order to keep up with the competition, B2B brands need to start offering B2C-like commerce experiences. The global B2B ecommerce market was valued at $12.2tn in 2019, over 6 times the value of the B2C ecommerce market. [23] As a result of this, a lot of B2C commerce practitioners are making the transition to B2B brands, and we can expect this space to be extremely innovative and competitive for the foreseeable future.

B2B commerce transactions contemplate a number of roles (buyers, approvers, procurement, sales reps, customer service reps, etc.), and the early B2B ecommerce environments were built as static portals in which shoppers are often overwhelmed with detailed product information and the workflows that orchestrate the interactions between these constituents are cumbersome and slow moving. This may have been the norm back then, but **now we collaborate through messaging platforms and online conferencing services in much more dynamic and immediate ways, and we expect B2B commerce experiences to evolve to meet those standards.**

(23) https://www.statista.com/study/44442/statista-report-b2b-e-commerce/

Heritage Parts

As one of North America's largest replacement parts distributor for commercial kitchen equipment, Heritage Parts provides access and fast shipping to parts and technical information from more than 800 food service manufacturers. Customers are always on the move and need an easy way to identify and purchase kitchen equipment parts, as well as speak directly with customer service reps. They desire a mobile-friendly interface, inventory visibility, real-time pricing, self-sufficiency, and part research tools.

Heritage Parts approached DEG, part of Dentsu, to develop an app launch strategy to deploy in a few months. With the launch of the Heritage Parts mobile app, customers were able to share photos and videos directly with customer service reps for identification, download and save equipment manuals for offline access, purchase and track orders, and live chat with a parts expert. DEG worked with Heritage Parts to build a complete launch strategy that would not only communicate all these convenient features but do so across multiple channels.

- **35,000 unique email opens and 3,500 unique clicks**
- **13,000 app downloads in 2 months**
- **1,000 orders in 2 months**

04
Conclusions

In this research, we have analyzed some of the most significant market shifts that are being driven by the advent of new technologies and by the evolution of customer expectations those innovations result in. Commerce is a relationship based on value exchange, as many relationships are. But **in a commerce relationship, we can immediately quantify the commitment we are expected to make, which makes us even more demanding.** Commerce is something we all experience in various forms every day, which makes us even more frustrated when we feel that the other side is not holding its side of the bargain, whether those feelings are justified or not. The bar of our expectations for commercial interactions is only going to go up.

But regardless of where they sit in their journey toward commerce maturity, brands should not be intimidated by this. **The more we pay attention to something, the more it represents an opportunity for brands to win us over, an opportunity to capitalize.** The beauty of investing in commerce innovation is that its effects are immediately tangible, and those results enable businesses to create even more differentiation.

Total Commerce

Own the Omni-Channel Commerce Experience	Ignite Buyer Activations with Content Production	Turn Unknown Shoppers into Known Customers	Compete on the Last Mile of Commerce	Enable 3rd-Party Selling on Your Terms	Optimize the Lifetime Value of the Customer
Unify commerce for all existing channels and future-proof it for upcomings ones	Content-at-scale productions & performance optimization of creative	Customize your bespoke identity and data platform	End-to-end production to distribution to delivery product tracking	Launch your own marketplace to leverage brand synergies	Advocacy-oriented fully fledged loyalty program
Embed commerce capabilities in a web & mobile experience-driven property	Create attention with performance media campaigns	Populate and unify system-specific profiles	Enable dynamic fulfillment (multi-warehouse, nearest store, curbside, etc.)	Define your brand's unique marketplace selling strategy	Build customer engagement hubs
Stand up an online shopping environment	Develop rich assets for catalogue presentation	Personalize journeys and offers for target audiences	Brittle fulfillment model	Delegate marketplace selling	Launch subscriber promotions

Depth of commerce capabilities

No Commerce Completeness of commerce offering

We recognize that every brand faces unique challenges and no two businesses are alike. This is why we developed an iterative framework that maps the different areas brands need to address in order to equip themselves with a complete commerce offering and points to different levels of depth through which these areas can be addressed.

This way, we feel, brands can start questioning where they sit on this journey and which priorities apply to them, whether they are just now looking to establish a commerce presence or they have been playing in this field for decades.

For some, achieving a "total commerce" state may feel out of reach at the moment, but being driven by this aspiration is the key to success in this hyper-connected world.

About Dentsu Commerce

Tapping into the capabilities of our award-winning agencies – Carat, DEG, Isobar, iProspect, Merkle, and dentsumcgarrybowen – we provide media, brand creative and eCommerce experience, to strategy and analysis, customer relationship management and fulfillment.

With 3,500 people in 85 world-wide markets across six continents, no other company has the scope and breadth of Dentsu Commerce. Dentsu Commerce's products and capabilities include commerce platforms, retail activations, commerce on social media platforms, and optimization of marketplaces such as Ebay and Amazon.

Brands of all sizes must have ability to fight and win in the new digital world of Total Commerce, and Dentsu Commerce is the category of one partner to make that happen.

Get in touch with our team for a consultation, insights, and more:
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To learn more about Dentsu Commerce solutions, visit:
www.dentsuaegisnetwork.com/us/en/dentsu-commerce

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