

4 Digital Commerce Disruptions Driving Value Now

How to Harness Them
for Your Brand

The COVID-19 outbreak has been the ultimate change agent. The virus and its implications have hyper-accelerated shifting consumer behaviors and have caught brands massively unprepared. In 2021, brands must adopt forward-thinking strategies and technologies to survive, and they must implement significant digital innovations that will drive commerce now and into the future. Staying stagnant is no longer an option.

To hone in on the most important disruptive innovations, we surveyed 1,000 global consumers in January across North America, Europe, and the Middle East to glean valuable insights into how their digital habits and sentiments have evolved over the pandemic. Overall, consumers have settled into a new reality, where digital adoption is now a part of their everyday life—and brands that aren't meeting their expectations are being left behind.

To that end, we present four consumer-centric digital commerce disruptions brands must implement to drive revenue and foster loyalty.



Disruption

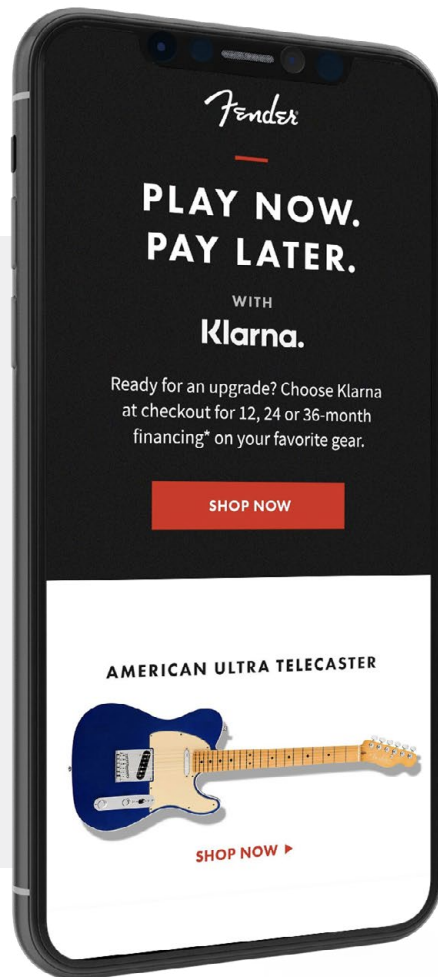
#1

Flexible and contactless payment adoption

The economic impact of the global pandemic has accelerated mindful consumerism, wherein shoppers are more intentional about their overall spending habits. The general motivator for purchase behaviors is necessity rather than desire. General economic uncertainty has also made consumers more cautious. As a result, the buy-now-pay-later (BNPL) model from the likes of Klarna, Affirm, and others is rapidly growing in adoption. 22 percent of global shoppers surveyed said they are using flexible payment methods more frequently. The potential benefit of this disruption for brands is sizable, namely averting cart abandonment and increasing conversion rates, especially for products deemed discretionary—Klarna lauds an increased conversion rate of 30 percent among the online brands that have previously implemented its flexible payments service.

Research by PYMTS, an online platform for payment and commerce industry content, suggests that it is not just price-sensitive shoppers that such services appeal to, but also those who want to avoid paying interest fees when purchasing with a credit card. In the US in particular, younger consumers have been seemingly eschewing credit card usage, gravitating towards payment options that offer more financial flexibility, as opposed to credit card balances that incur interest charges and potentially trigger buyer's remorse.

BNPL payment models appeal to a majority of online shoppers, allowing them to make installment payments over an established period of time, while reaping the benefits of enjoying their purchases upfront. These payment options afford shoppers a streamlined, seamless experience, thereby increasing their overall level of satisfaction and establishing loyalty.



22% of global shoppers surveyed said they are using flexible payment methods more frequently



Guitarists can conveniently play now and pay later at Fender.

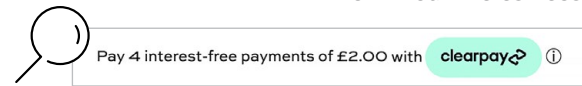


Contactless touchpoints are also here to stay. Case in point: curbside pickup has exploded in the past year. The same goes for payment methods. Tap-and-go payment options such as digital wallets and near-field communication (NFC) credit cards have allowed shoppers the ability to safely and seamlessly make a purchase in store, while reducing their time at checkout. Similarly, ecommerce consumers conveniently use digital wallets for expedited checkout, decreasing the odds of making an error while inputting lengthy credit card information. Mobile payment options such as Apple Pay and Samsung Pay are essentially driving *mcommerce*, or mobile commerce, which is expected to account for more than half of total ecommerce sales in 2021.

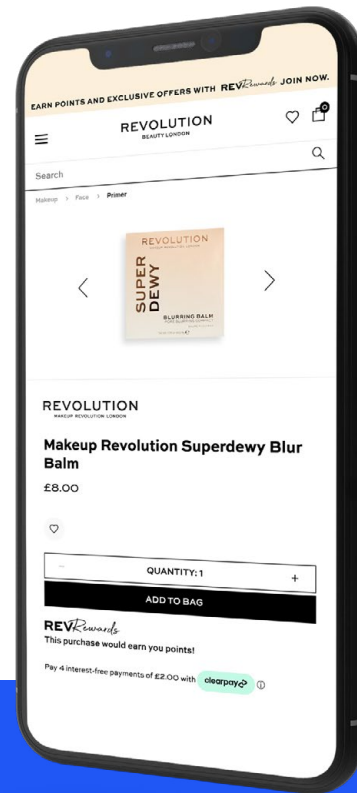
Nearly 40 percent of global shoppers are using mobile payments more often since January 2020, and the uptick in the use of digital payment technologies is also part of a larger consumer shift away from the use of physical currency. In the US, popular peer-to-peer apps like Venmo and Cash App are increasingly becoming mainstream. Elsewhere, the pandemic appears to be accelerating non-cash payment usage for in-store transactions as well, given shoppers' fears related to transmitting the virus through any surface contact—a trend that will most likely outlast the pandemic.

Offering alternative digital payment and installment methods goes beyond simply transacting. It's also about being aligned with the shifting attitudes and behaviors of today's consumers. As shoppers continue to delay high-value purchases, are decreasing their discretionary spending, and are more inclined to interact with contactless touchpoints, all brands irrespective of sector will stand to benefit from granting shoppers more convenient ways to pay, on their terms.

Revolution Beauty appeals to shoppers who want to pay for their purchase over time without interest fees.

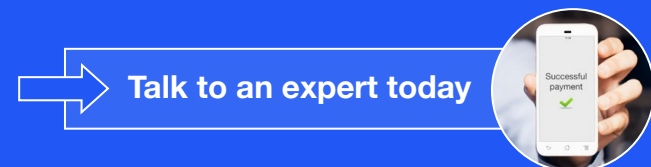


Nearly **40%** of global shoppers are using mobile payments more often



Be a Disruptor

Astound Commerce works with the top providers of flexible and contactless payment solutions, including Adyen, Affirm, Amazon Payments, Clearpay/Afterpay, Klarna, PayBright, and PayPal. **Lovehoney, Toms, Cath Kidston, and SoulCycle are just a few of the Astound clients benefitting from our expertise in this area. Let us help implement the solution that's right for your brand.**



Disruption

#2

Direct-to-consumer and social as a channel

Nearly two-thirds of global shoppers in our latest survey said they purchase online at least on a weekly basis. The need to meet shoppers where they are is urgent, as the traditional linear customer journey—embodied typically by a single channel, limited awareness, and minimal choice—is becoming more and more fragmented. Our homes continue to be the hub for all daily activities, making commerce omnipresent, omnichannel, and on-demand.

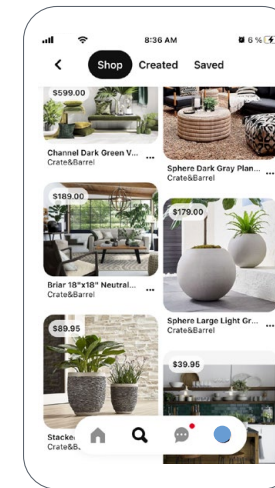
Yet, consumers are bombarded with myriad distractions—family and work obligations, multiple screens, a barrage of ads and notifications that make it difficult for brands to break through the noise with their direct messaging. Brands must establish moments of one-to-one consumer interactions via direct-to-consumer channels. The hoarding trend seen during the initial shock of the pandemic caused severe supply chain disruption, leading to a domino effect of out-of-stocks when shoppers needed stability most.

In turn, shoppers were forced to try new brands and products, dealing a massive blow to brand loyalty. Brands must now work twice as hard to win back shoppers and maintain loyalty for the long term.

In the year since the onset of the pandemic, **37 percent of shoppers globally reported purchasing directly from a brand online**, further indication of accelerating consumer adoption of direct-to-consumer (D2C) engagement. Delivery companies such as Shipt and Uber are bringing snacks, alcohol, and other consumer packaged goods to consumers' doorsteps. Three in five shoppers agree that shopping directly from a brand gives them a better experience than shopping through a competitive third-party partner site. D2C engagements allow brands to create unique communities with relevant, dynamic content. Consumers engaging directly with your brand are your biggest advocates; thus leveraging their user-generated content helps to convey the authenticity consumers don't get through saturated wholesale and marketplace channels.

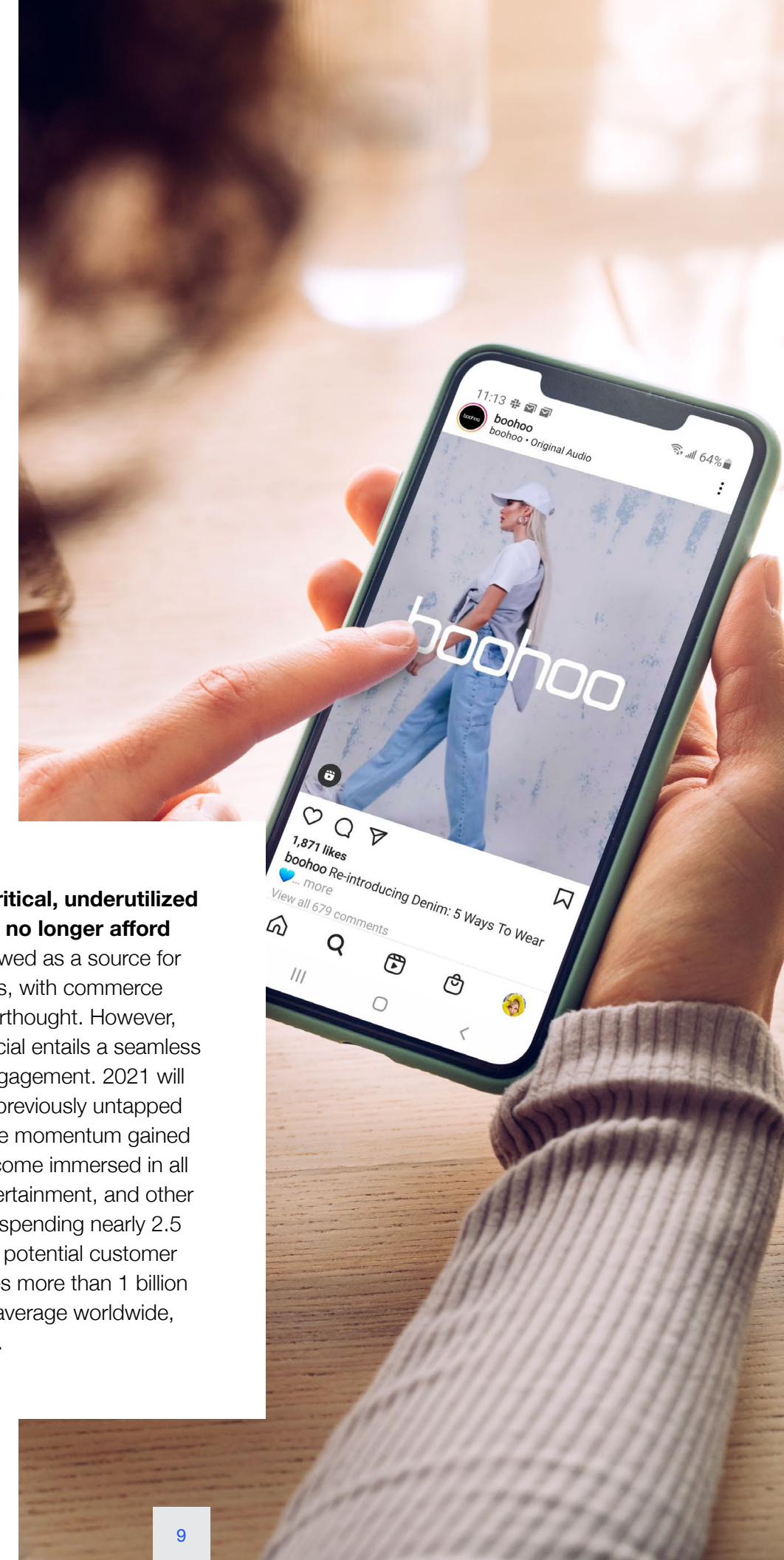
The most important benefit of establishing a D2C channel is that it affords brands the ability to own and control customer data—an important competitive advantage. Brands must amass these valuable customer insights in real time and provide appropriate messaging while the consumer is still engaged. In turn, customers receive more relevant, personalized experiences that drive loyalty. It's a win-win.

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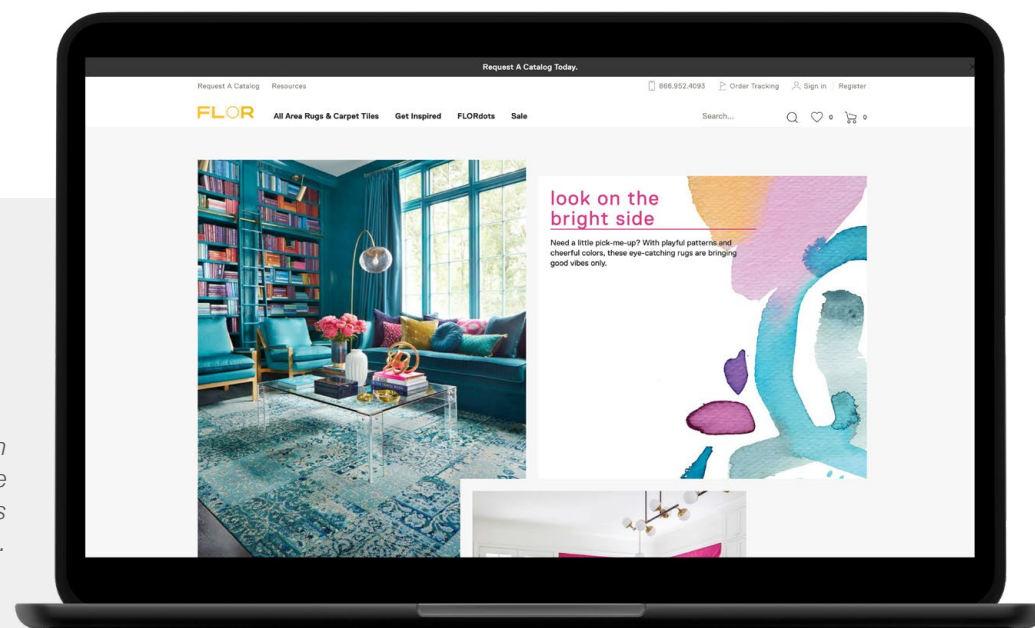
 **2.84 billion** MAUs

 **1 billion** MAUs

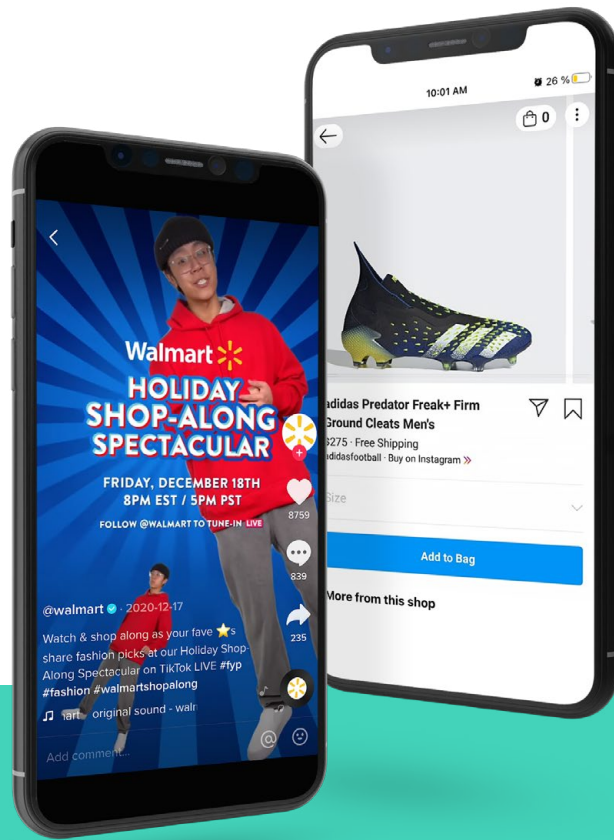


Social as a channel is another critical, underutilized commerce disruptor brands can no longer afford to ignore. Social has long been viewed as a source for discovery and research for shoppers, with commerce relegated to a poorly integrated afterthought. However, a consumer-centric approach to social entails a seamless purchase path at the moment of engagement. 2021 will be a pivotal year for capitalizing on previously untapped opportunity in this channel, given the momentum gained from last year. Consumers have become immersed in all forms of social media for news, entertainment, and other content during quarantine, typically spending nearly 2.5 hours a day on such platforms. The potential customer reach is undeniable—Instagram sees more than 1 billion monthly active users, or MAUs, on average worldwide, with Facebook at 2.84 billion MAUs.

Reflecting a dramatic increase in time spent at home, innovative flooring company FLOR wisely sells direct to consumers.



The major social platforms are continuously adding shopping capabilities to better enable this channel as a friction-free commerce touchpoint. Similarly, the fast-growing TikTok, known for viral short-form videos, is laying the foundation for its entry into ecommerce, further fueling the imminent convergence between content and commerce.



Walmart partners with TikTok to promote their live-stream holiday "shop-along" event; Adidas captures shoppers at the moment of purchase intent via Instagram.

\$275 · Free Shipping
adidasfootball · Buy on Instagram >>

Be a Disruptor

Astound Commerce works with ecommerce marketing firm Yotpo to help our clients take full advantage of Yotpo's advanced solutions for customer reviews, visual marketing, loyalty, referrals, and SMS marketing. **Let us help implement the Yotpo solution that's right for your brand.** In addition, we work closely with CPG brands making the shift to digital and D2C. Our special report, "[A Brave NewWorld for CPG: 7 Ways to Navigate the Industry's New D2C Landscape](#)," shares our insights on this topic—and **we can work with your brand to develop the customized approach that's right for you.**



Disruption

#3

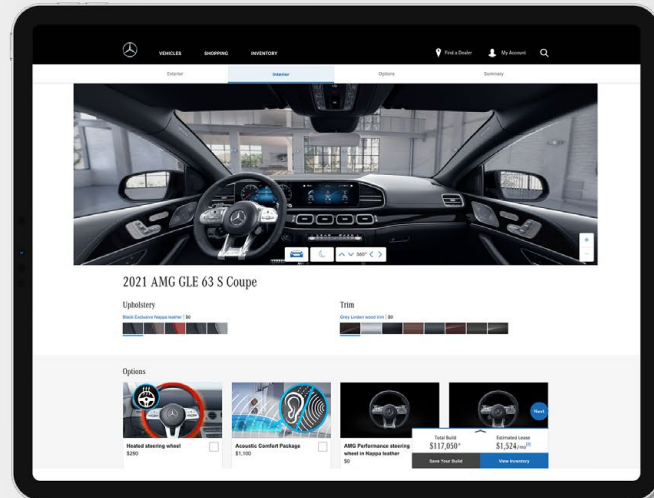
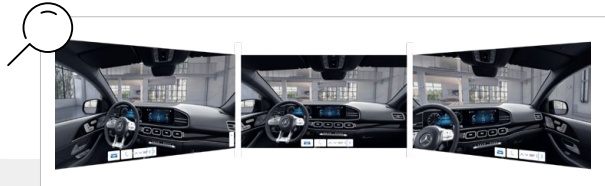
Artificial intelligence, QR codes, and virtualization

The inevitable mass consumer shift to digital in 2020 means differentiation is critical in 2021. Features such as artificial intelligence and augmented reality can add significant value to the customer journey, enabled by greater proliferation of the increased speed, latency, and reliability of 5G technology.

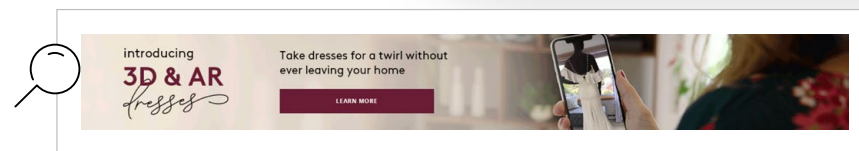
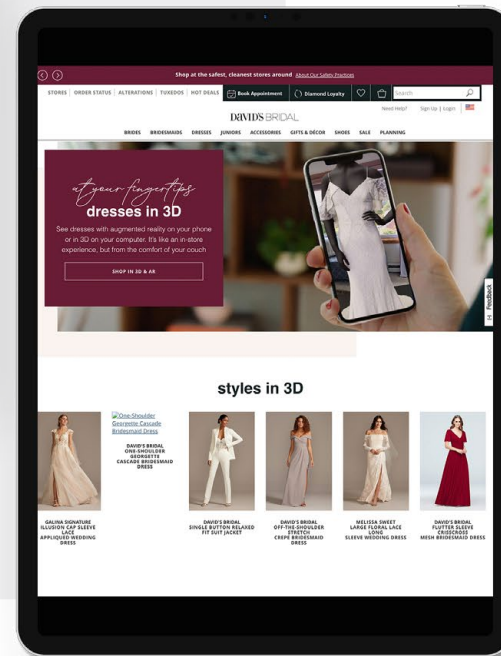
The stay-at-home orders of the past year have conditioned consumers to become digital-first in all behaviors—and they are coming to your ecommerce site with preconceived notions of what the customer experience should be. These notions are formed by all previous digital engagements, anything from watching a movie on Netflix or Hulu and ordering takeout on their favorite delivery app such as Grubhub or Doordash to collaborating with coworkers via Slack or Zoom—dynamic backgrounds, filters, and all.

Consumer shift to digital in 2020 means differentiation is critical in 2021

Immersive experiences are no longer a trend but are a mainstay in consumers' everyday lives. Consumers have spent more time interacting with emerging technologies while at home—growing accustomed to Alexa's inherent machine learning component and voice search capability, or engaging with novelty Snapchat filters evoking augmented reality.

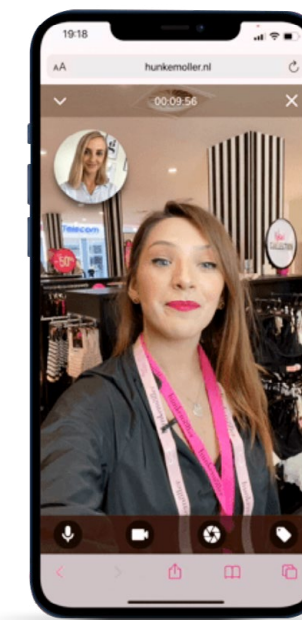


In-person shopping is a natural choice for car-buying and wedding dress purchasing—to replicate that experience, Mercedes Benz and David's Bridal enhance their products via augmented reality.



Moreover, our recent consumer data reveals that consumer engagement with these emerging technologies is indeed growing. Globally, live-stream shopping and virtual events rose 21 and 27 percent, respectively, since May of last year. More than one-third of shoppers indicate increasing the frequency with which they use QR codes, for activities such as obtaining additional product details or registering a product. **Virtual events are attended more often by 20 percent of global shoppers**, while 17 percent have also increased their participation frequency in virtual one-on-one services. VTail, Astound's virtual shopping tool, seamlessly and conveniently pairs online shoppers with an in-store sales associate for a personalized consultation via video chat. These experiential technologies help shoppers maintain a sense of connectedness that has been lacking during this extended period of isolation.

5G was a primary topic of discussion at the most recent Consumer Electronics Show, an annual technology trade show held



Hunkemöller creates a personal, one-on-one virtual experience, allowing shoppers to connect in real time with an in-store sales associate enabled by VTail.

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virtually in January. Admittedly, the technology is nothing new, as telecommunications companies began rolling out the wireless service back in 2019. But after construction delays due to COVID-19, it will become more prevalent this year.

Along with 5G compatibility, new, innovative smartphone features are further propelling consumers' mobile experiences and expectations. Apple's latest iPhone boasts light detection and ranging (LiDAR) technology that easily enables AR functionality by using lasers to measure the timing of light pulses to determine the distance of objects. And the Samsung Galaxy S21 Ultra touts a high refresh rate and an impressive 120 HZ display. It is this convergence of factors that will make AI, virtualization, and other emerging technologies so impactful this year.

These innovations have been a lifeline for physical brands forced to shutter temporarily to help slow the spread of the virus. The travel industry, restaurants, museums, and similar nonessential categories have smartly integrated these technologies to sustain customer interaction, stay relevant, and create the experiential moments consumers crave. QR codes have enabled these "phygital" experiences, as consumers use the labels to embark upon compelling virtual journeys in lieu of real-life adventures.

AR technology allows consumers from all over the world to experience exhibits at the Metropolitan Museum of Art in New York City during the pandemic.



Disruption

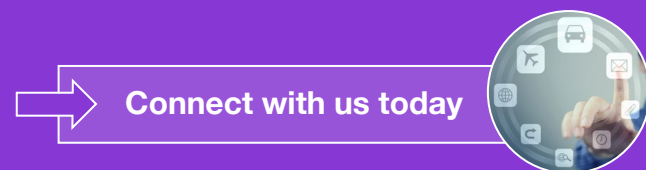
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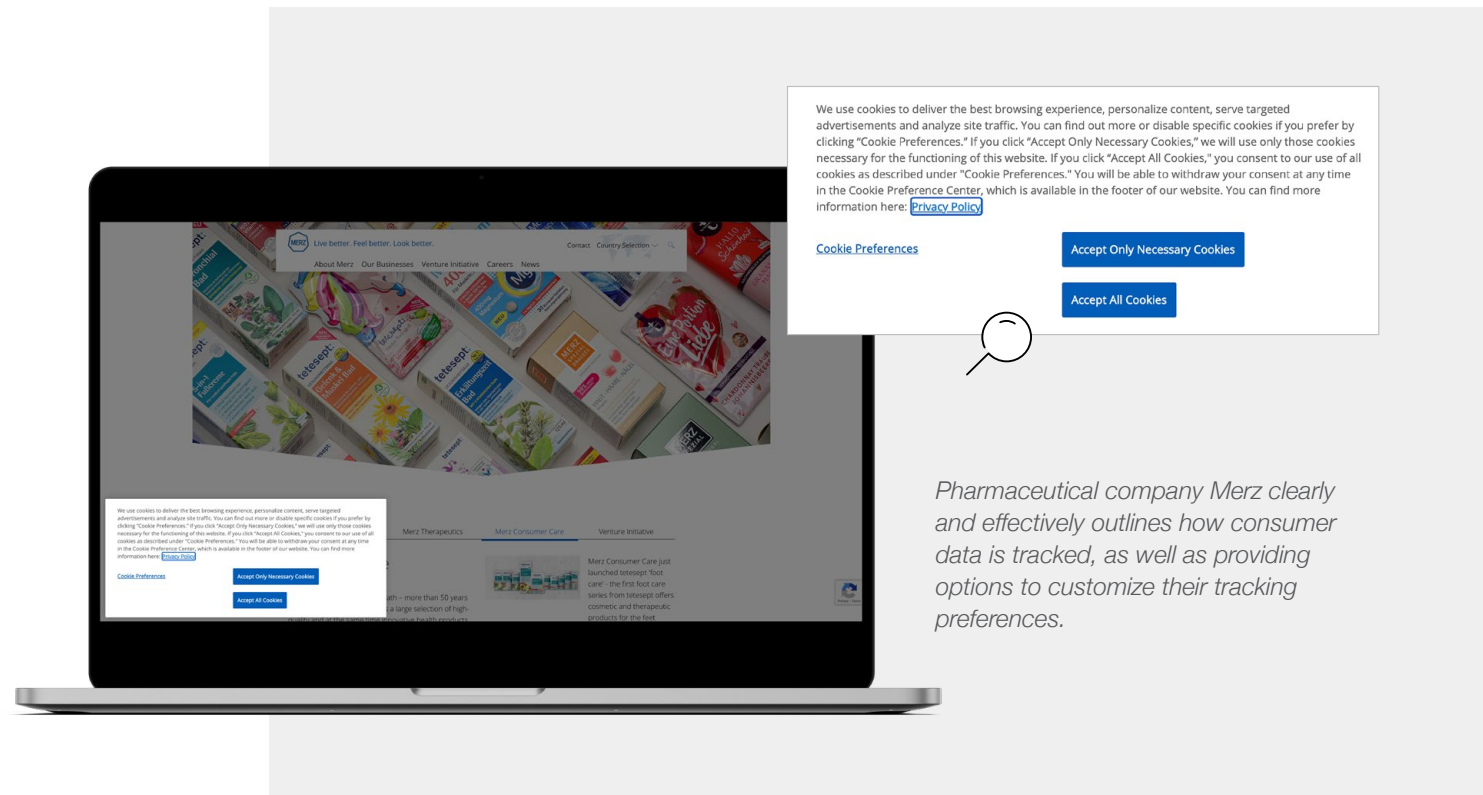
The balance of personalization and privacy

Brand trust is more important than ever before. Consumers have been through months of anxiety, misinformation, and chaos largely due to the pandemic, so feelings of skepticism and hesitancy are understandable—and their need to feel safe, physically and otherwise, is paramount. Consumers' concern for their privacy while online has been intensifying for years, in correlation to the rise of unregulated big tech companies and social media platforms. News conveying the latest brand to become a target of a data breach has become all too common, and as such, 71 percent of global consumers we surveyed say that **brands can do more to protect their personal data online.**

Be a Disruptor

VTail is a live video shopping solution created by Astound Commerce to bring the in-store experience to your customers, wherever they are. **See VTail in action for Astound client Hunkemöller, and connect with us to put VTail to work for your brand.** Astound Commerce works with product discovery platform Syte to integrate transformative visual search technologies powered by AI that drive experiential ecommerce, generate loyalty, and increase conversions. We're thrilled that Syte was instrumental in helping jewelry brand and Astound client Signet reach their online growth goals. **Let us help implement the Syte solution that's right for your brand.**





Pharmaceutical company Merz clearly and effectively outlines how consumer data is tracked, as well as providing options to customize their tracking preferences.

Of course, this is a paradox for any brand or organization. For consumers, keeping their personal details secure is nonnegotiable. However, consumers also want relevant information in real time via personalized messaging—58 percent of those we surveyed said they are willing to share their personal information in exchange for a more personalized experience. Brands must balance relevance and compliance, and one false move could have serious implications, from losing a valuable consumer to reputational and financial penalties.

Evolving data tracking and consumer privacy measures also create important challenges. Third-party cookie tracking is being phased out by 2022, dealing a blow to marketers engaged in retargeting and other digital advertising efforts. Regional laws such as the California Consumer Privacy Act (CCPA) in the US and the European Union’s General Data Protection Regulation (GDPR) have laid the groundwork around consumer protections, but consumers are demanding they go further. According to GDPR.eu, the cost of GDPR fines totaled US\$63 million in 2018, the year the regulation went into effect.

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Moreover, research from law firm DLA Piper shows that GDPR violations have risen by nearly 40 percent between January 2020 and January 2021. With the seismic shift to many consumers working and learning from home, consumers’ personal information has never been more vulnerable—and their data so critical to better understanding and meeting their needs in the moment.

Data compliance begins with being upfront and transparent with regard to the customer information businesses collect, as well as their intent; consumers need assurance beyond simply “we use cookies to give you the best browsing experience.” And consumers must be given clear and easily accessible information on how their data will be used, what happens when they are no longer your customer, and the choice to opt out. Protecting consumers’ privacy while online is an imperative for all brands, as a staggering two-thirds of global shoppers worry their personal information may be exposed while shopping online. Brands must ensure data is used only for a specific, customer-approved purpose and is secure at all times, as the rapid pivot to digital to keep pace with demand and consumer expectation has accelerated this mandate.

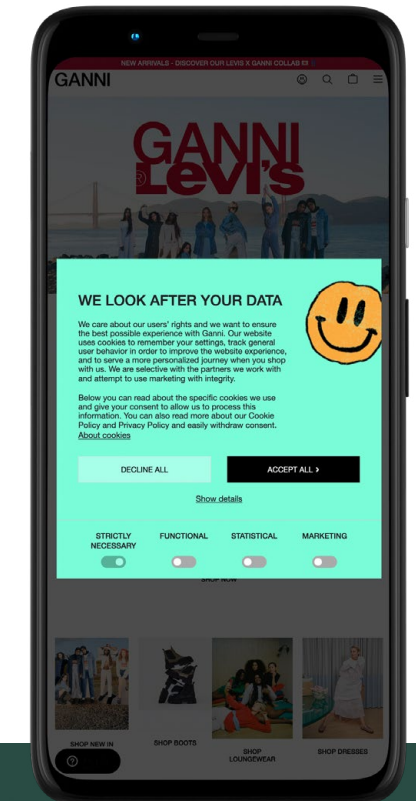




amounts of customer data, those with the ability to successfully harness compliant customer information will reap the benefit of sustained customer loyalty.

Brands are faced with a major imperative to create more forward-thinking solutions around the effective use of customers' personal data while maintaining legal and compliance oversight. The need to innovate is urgent in this competitive ecommerce landscape, in order to proliferate brand value and differentiation through consumer trust—underpinned by a vigorous commitment to securing consumer information.

Apparel retailer Ganni prominently displays its data tracking messaging, ensuring customers that their data is safe while they enjoy a personalized experience.



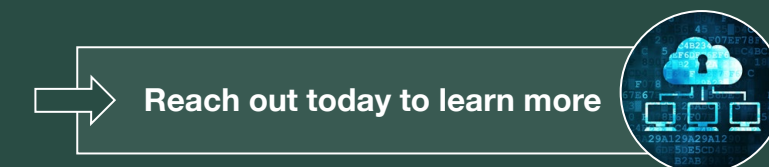
In today's era of hyper-personalization, first-party behavioral data will be the key to providing customers with relevant and seamless experiences uniquely tailored to each individual in real time in their preferred channel. This has never been more important, in this new always-on ecommerce landscape. Having a clear understanding of the actions consumers are taking while browsing online can help to immediately address their pain points at the moment they have purchase intent, and a delay in action can potentially result in abandonment. Research from McKinsey reveals a 5 to 15 percent rise in revenue from deploying effective personalization strategies, derived from the usage of compliant data.

Customer personalization must go beyond the ability to correctly identify a customer by their name and location. Shoppers want promotions in real time and relevant content and recommendations—important gestures that indicate how well you know them. As brands continue to collect and amass immense

Research from McKinsey reveals a **5 to 15%** rise in revenue from deploying effective personalization strategies

Be a Disruptor

Astound Commerce has partnered with some of the world's most recognizable brands to provide creative and compliant digital commerce experiences. **We can help you develop the strategy to navigate rapidly evolving privacy regulations while meeting ever-increasing consumer demand for personalization.** In addition, you can read our take on [the privacy compliance concerns related to internationalizing on Salesforce Commerce Cloud](#), and find much more thought leadership content at astoundcommerce.com/insights.



Astound and Disruptive Innovation



At Astound Commerce, we stay in the know about the digital commerce disruptions your brand needs to capitalize on in order to remain competitive. Through our partnerships with top providers of flexible and contactless payment solutions; advanced solutions for customer reviews, visual marketing, loyalty, referrals, and SMS marketing; and product discovery platform providers, we keep your brand on the cutting edge of how to reach and engage with today's consumer.

In addition to our partnerships, Astound's own proprietary research on everything from [the most effective ways to take your brand direct-to-consumer](#) to [how to stay in compliance with increasingly stringent privacy regulations](#) amounts to a broad knowledge base that is at your disposal. And our ecommerce experts use that knowledge to create ever-more-innovation solutions for bringing experiential shopping into the homes of your customers. Put our expertise to work to help implement the solutions that are right for your brand.

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About Astound



ASTOUND COMMERCE is your mission-critical partner in digital commerce, maximizing the brand and business value of every consumer touchpoint. With a strong global presence and a team of more than 1,200 deeply passionate experts in the areas of digital strategy, commerce technology, experience design, and digital marketing, we've had the opportunity to partner with iconic brands such as L'Oréal, Boohoo, Halfords, Jimmy Choo, Lacoste, and Versace.

Born in Silicon Valley during the digital revolution, we have more than 20 years of expertise and thousands of experience-driven ecosystems woven into our DNA. We know how to align business values with the latest technologies, personalized digital experiences, and the demands of mobile and socially connected consumers. We create unique and compelling experiences for customers across all channels and drive sustained business growth for our clients.

Learn more: astoundcommerce.com

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Successful Projects

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Years of Experience

1,200+

Ecommerce Specialists

**One goal:
Add business value**

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- Platform Enablement
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