The Evolution of eCommerce and How to Accelerate Brand Growth
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eCommerce has grown and evolved tremendously over the last decade. In fact, last year alone, U.S. consumers forked over nearly $602 billion on eCommerce transactions, a 15 percent bump from the $524 billion they spent in 2018. As consumers across all generations adopt online shopping platforms and it becomes the norm, industry watchers predict that these numbers will only continue to grow over time, with the eCommerce market reaching $1 trillion by 2025.

Then in March 2020, COVID-19 hit and accelerated that behavior by five years seemingly overnight—to the point that eCommerce has essentially become the only way for consumers to buy and brands to sell. Taken together, this confluence of factors has resulted in a whopping 40 percent year-over-year growth in unique digital shoppers.

When COVID-19 forced brands to take nearly 80 percent of their sales online, many were left realizing they didn’t have a strategy in place to accommodate the needs of their consumers.
Why?

Being successful at eCommerce means much more than simply having your products available online. It’s a transferral of the entire physical shopping experience—from product discovery to checking out—onto the digital aisle. To succeed, brands must have a solid eCommerce foundation that optimizes the entire shopping experience and customer journey across channels and retailers. In other words, your strategy needs to be as dynamic as the ways in which consumers are finding, interacting, and ultimately purchasing products from you.

In this eBook, MikMak will show you:

1. Why eCommerce is now tablestakes for channel brands

2. How brands can establish the foundation for successful eCommerce strategies to be built upon
The Consumer Journey Is Changing

Today, the average consumer isn’t going through a neat funnel before making a purchase decision online. Instead, they are empowered with a wealth of information at their fingertips, where they can discover your products and interact with your brand across many different channels, making it difficult to meet consumers at the right touch point with the right message every time.
To further complicate things, product discovery also happens much differently than before; consumers no longer base purchasing decisions on their affinity toward or familiarity with a brand. Instead, they are learning about products (and forming opinions about whether or not they want to buy them) via their social feeds. It’s only after a purchase is made that brand loyalty begins.

Our favorite example of this is illustrated by the famous Amazon coat that took over New York City in 2018. Despite this coat’s popularity, consumers were not purchasing it because of its name recognition or the brand associated with it. Rather, through word-of-mouth marketing, seeing the coat in-person on other influential people around the city, and finding out that it was available for purchase on Amazon, the coat rapidly became a fixture on women across the Upper East Side. Once it was already popular, the media started talking about it, and then Oprah even went on to declare it one of her “Favorite Things” in 2019. In the past, a coat like this might have become popular because Oprah lauded it, not the other way around.
The fact that a no-name brand can become a viral success seemingly overnight in a highly fashion-conscious area is a testament to the fact that the marketing funnel is changing, consumer journeys are changing, and a new phase of eCommerce is emerging.

And this was in a pre-COVID world.

During COVID-19, consumer shopping behavior saw a further decrease in loyalty toward brands and retailers. The uncertainty of the pandemic and instabilities in the supply chain enhanced shoppers’ “need-it-now” buying mentality. Beyond being more ready to buy, consumers were also more receptive to trying new products and switching to competitor brands. Not having a well-established eCommerce strategy not only reduced a brand’s market share by failing to capture a growing online shopper population, but it also caused brands to lose existing consumers to competitors.

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Many brands saw higher purchase intent driven by all social media channels

![Graph showing percentage change after March 9, 2020 for different social media channels.]

**FB/IG**

**Snap**

**Programmatic**

**Pinterest**

**YouTube**

% Change After March 9, 2020
Darling D2C brands have been adapting their digital storefront since before COVID-19. Many of them were prepared for this accelerated shift to online shopping because they understood that to succeed in eCommerce, it was no longer about spraying and praying, but about targeted messaging to niche audiences. What about for larger, established multichannel brands?

The good news is that many of these same principles that D2C brands discovered also apply for enterprise-level eCommerce success. It isn't as complicated as it sounds. Establishing a strong eCommerce foundation for your brand requires understanding your consumers, identifying what their preferences are, and being agile in leveraging that knowledge in your campaigns. You just have to know what those needs and preferences are first.

Many brands saw purchase intent triple since COVID-19

![Purchase Intent Graph]

- Oct. 10%
- Nov. 8%
- Dec. 5%
- Jan. 3%
- Feb. 7%
- Mar. 5%
- Apr. 7%
- May 9%

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REGAIN CONTROL OF FIRST-PARTY DATA

In the eCommerce era, first-party data has rapidly become a brand's most valuable asset. With data on hand, it’s that much easier to optimize the entire shopping experience and consumer journey, and to have access to leading indicators of shifting consumer sentiments during a time of rapid change—such as in a pandemic.

Unfortunately, a brand’s first-party data often lives with the retailer in which the consumer purchased a product from, including information such as purchase preferences, average basket size, frequency of purchases, and more.

Just take a look at what happened to Toys “R” Us. In 2000, it signed a deal with Amazon wherein it gave up its right to open up its own eCommerce site in exchange for being the “exclusive” toy seller on Amazon. Toys “R” Us ended up suing Amazon a few years after the pact was made because the eCommerce giant struck deals with other toymakers based on the data it collected about Toys “R” Us’ customers.

Suffice it to say that Toys “R” Us’ decision to let Amazon have control of its data ended up being a bad one. Amazon was able to learn everything about the company, which ultimately led to the toy seller filing for bankruptcy in 2018. The fate of Toys “R” Us demonstrates why it’s so important to own data and understand your consumers to optimize your eCommerce strategy.
What Data Allows Your Brand to Do

When we talk about using consumer shopping data to optimize the consumer journey, here are some of the key things this enables you to do:

1. **IDENTIFY THE INTERSECTION OF CONSUMERS’ PREFERENCES.**

   Targeting with data is all about identifying the intersection of consumer preferences. With the right eCommerce data collection platform in place, brands can capture end-to-end experiences across channels and use the associated consumer preference data to identify micro audiences and target them with increased precision.
Think about consumer preferences as a Venn diagram. The intersection of the two circles represents a specific group of consumers that lives in the overlap of these two preferences. Does the consumer like engaging on Instagram, Snap, or Pinterest? Within that group, what type of content do they respond to better: how-to tutorials or recipes? What kind of creative is most appealing to them? Do they respond to influencers? Do they have retailer preferences (e.g., loyalty points they want to use somewhere particular)? Does geolocation data have an impact on the performance of a specific SKU or campaign? Does the consumer prefer buying items in bundles or by themselves?

The more of these kinds of questions you can answer—i.e., the more circles you add to the Venn diagram—the more precise your targeting can be. Those complex intersections are what enable you to develop niche audiences that allow you to deliver the right content at the right time to the right people and send them to check out at the right retailer.

The more hyper-specific you can target, the more qualified shopper audiences you can build, and the more likely you will be to optimize your spend on eCommerce campaigns by identifying and driving purchase intent across media channels, influencers, and platforms.
STAY UP TO DATE WITH CONSUMER EXPECTATIONS.

Your consumers’ shopping behaviors are constantly evolving. For example, pandemic-induced shopping and delivery services are now becoming new industry standards and table stakes in consumer shopping expectations. Click and collect options such as curbside pickup saw such a surge in demand that demand growth reached over 1000 percent at certain locations. Brands need to be picking their leading indicators for these shifting shopping habits and remain agile in their responses.

How do big brands learn about their consumers that are now buying online, many of them for the first time? How do these consumers discover products online, and how are products added to cart upon checkout? How do they prefer to receive their purchases, and how willing are they to pay a premium for a shorter delivery time? These are all rapidly forming consumer insights that have significant implications for brands on their consumers’ online shopping journey—insights that can be tested and derived after brands collect first-party shopping data.
ALIGN WITH INVENTORY MANAGEMENT TO DEFEND MARKET SHARE.

Loyalty to brands and retailers dropped across the board during COVID-19, causing the online marketplace to become a battleground for brands to gain and defend market share. This is due to two primary shifts in consumer behavior that expanded the role of marketers to inventory management: (1) heightened instability of product availability due to disruptions throughout the supply chain, and (2) increased consumer receptivity to trying out new and substitute products when their go-to products were not available.

Without an eCommerce strategy that had foresight into demand and alignment with supply, essential products rapidly ran out of stock across retailers for brands during March and April of 2020. Many brands paused media to prevent waste in spend when there was nothing to sell. However, consumers directed to these empty carts could not patiently wait for their preferred brand of essential products to come back in stock. Loyalty to brand and retailers dropped across the board. At out-of-stock pages, consumers chose to purchase competitor products.

This availability-first purchasing behavior has sustained and expanded into other product categories. Marketing teams now must also optimize inventory management. Once again, access to real-time data can be incredibly helpful here. eCommerce metrics such as purchase intent can be leveraged as leading indicators to what needs to be in stock. Retailer preference and geolocation data can also inform on inventory distribution and potential redistribution. For brands, getting ahead of these out-of-stock moments are key to eliminating wasted spend across channels and defending market share against competitors.
CASE STUDY

During the initial months of COVID-19, consumers stayed at home and shopped from home. They looked for entertaining content to pass the time, and educated themselves on how to protect themselves and their loved ones during the pandemic. In response, many brands shifted campaigns toward targeting the top of the funnel via awareness based media, with emotionally supportive ads that also provided consumers with information on relevant products and services.

**Brands shifted “shopability” toward awareness-based media during COVID-19**

However, consumers were also interacting with these ads with high intent to purchase, as stockpile-buying behavior was causing frequent shortages in essential products. This strategy of running awareness based media and making it shoppable allowed brands to capture their consumers’ purchase intent where it occurred and immediately convert it into a shopping moment.

It was the brands that aligned their inventory with their shoppable media campaigns that were the most successful. Consumers who had engaged with ads with high purchase intent were driven only to retailers where the product was in stock, reducing the amount of sales that would have been lost at check out — potentially to competitors.
It’s all about the consumer. In recent years, there’s been no shortage of new brands making an impact in categories that have traditionally been dominated by established juggernauts. If you are a big brand facing this new terrain, here are a few brief examples to get you thinking in the right direction:

- **Glossier** disrupted the beauty industry by focusing on the consumer exclusively, engaging consumers with highly aesthetic creative, owning its own sales funnel, and selling directly to consumers.

- **Dollar Shave Club** used clever creative that appealed to millennials, ultimately disrupting the male grooming category and leading to a billion-dollar exit.

- **Empathy Wines** made the most out of the COVID-19 stay-at-home orders by investing heavily in digital marketing and convincing consumers to buy a new category of products online.

- In the food category, upstart brands like **NUGGS** and **Magic Spoon** have used clever creative and influencer marketing to go viral and sell DTC food products.

Fortunately, clever creative and effective targeting are strategies for success that are not limited to use by DTC brands. Large brands can—and should—adopt them too when building a digital storefront with a strong eCommerce foundation. It all starts with the consumer, and it starts with their shopping behavior, accessible via their first-party shopping data.
Does Your Brand Have a Strong eCommerce Foundation?

In the digital and social age, it’s imperative for multichannel brands to have a robust eCommerce foundation and the tools needed to make the most of shifting consumer behavior. Succeeding in this new era requires a new approach—one that’s rooted in data and one that you continuously iterate on and optimize over time.

A strong eCommerce foundation requires a deep consumer insight and staying ahead of changing consumer behavior. Data plays critical roles in successful eCommerce strategies, as does having the right tools in place.
With that in mind, here are a few actionable tips as to how you can do that:

1. **ALIGN YOUR MEDIA STRATEGY WITH YOUR ECOMMERCE STRATEGY.**
   Now that the traditional marketing funnel is no longer relevant, consumers are discovering products everywhere online. Your digital storefront should live wherever your consumers are engaging. From social media to email to search, capitalize everywhere on this shift in product discovery behavior.

2. **CAPTURE AUDIENCE DATA, OWN IT, AND LEVERAGE IT TO BETTER UNDERSTAND YOUR AUDIENCE.**
   With first-party shopping data in hand, you can not only look at where your traffic is coming from, but also make apples-to-apples measurements and comparisons on which channels and which campaigns are driving the highest purchase intent for specific audience segments. Remove guesswork from the equation by collecting actionable insights and using them to inform your strategy and figure out the best way forward.
3 APPLY YOUR LEARNINGS TO BE WHERE YOUR CONSUMERS ARE WITH THE RIGHT MESSAGE, PRODUCT, AND PURCHASING OPTIONS.

If all of your consumers are eager to buy things on Instagram, setting up shop on Pinterest won't be enough. Go to where your consumers are, figure out what kinds of content and creative they like to engage with, and make sure they're able to buy things where and when they want to.

4 PRODUCE A SEAMLESS SHOPPING EXPERIENCE ACROSS CHANNELS.

Now that more people than ever are buying online, a brand's digital storefront is a key part of the consumer experience. Friction at any point of the journey not only can lose you a sale, but also can lose you market share to a competitor.

Remember—having an established eCommerce presence built on a solid foundation of consumer data is no longer a nice-to-have for multichannel brands—it's table stakes. Brands that can successfully present a unified and seamless end-to-end online shopping experience for consumers will see the most success in growing, maintaining, and defending their consumer market.
To dive deeper into the specific strategies you can use to optimize your eCommerce initiatives, download *The Complete Playbook to Building a Winning eCommerce Strategy* for everything you need to know about winning in this new world of eCommerce.