

The 2021 Ecommerce

# TECH & TRENDS

Brand Growth Guidebook



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A photograph of a person's hands holding a smartphone, framed by a blue triangular border. The background is a blurred retail or office setting. Overlaid on the image are several white, semi-transparent gear icons of varying sizes, some with lines radiating from them, suggesting technology and interconnectedness.

## Executive Summary

You don't need us to tell you that 2020 was an unprecedented year. Between the coronavirus pandemic, social unrest, and a fluctuating economy, 2020 brought a slew of uncertainty to the world.

Unfortunately, the future of marketing and advertising isn't as crystal clear as it once was. The pandemic **propelled ecommerce to levels that weren't expected until 2025<sup>1</sup>**, while crushing many brick-and-mortar brands. Desktop had a resurgence as more people worked from home. And while consumers have higher expectations for personalization and an interactive brand experience, their privacy concerns (and government privacy regulations) are surging. At the same time, new and innovative trends like D2C and authenticity are also on the rise.

Businesses will have a lot to think about in 2021. This comprehensive report is **your roadmap to navigating yet another unprecedented year and moving beyond the unexpected to exceed your brand's goals in 2021**. Within these 37 pages, you'll uncover insights like:

- How your brand can use behavioral targeting to earn trust in the midst of rapidly shifting consumer mindsets.
- How to survive and thrive in a cookieless advertising future.
- The latest innovations in AI, automation, & machine learning that are revolutionizing the way brands like yours do business.
- Expert full-funnel advertising strategies on Google, Facebook, Amazon, & more in a post-pandemic world.

**Cheers to your 2021 success!**





## Bye-Bye, Brick & Mortar?

2020 brought a severe blow to brands with brick-and-mortar locations, with the pandemic mandating shutdowns that forced businesses to close their doors unexpectedly - many of them permanently.

**Brick-and-mortar sales declined an estimated 14% in 2020**, while ecommerce grew an estimated 18%. Retail sales were hit the hardest, declining 10.5% after being projected to grow a modest 2.8% pre-pandemic.

Brick-and-mortar was already on its way to being overtaken by ecommerce, with in-store interactions on the decline. But like many trends, this shift was accelerated by COVID-19. Online interactions jumped from **42% in 2019 to 60% in 2020**, a trend that is expected to continue into 2021.

Consumers' interactions with companies <sup>3</sup>		
	Online	Offline
2019	42%	58%
2020	60%	40%
2021	60%	40%

<sup>2</sup> <https://www.emarketer.com/content/us-ecommerce-will-rise-18-2020-amid-pandemic?cid=NL1001>

<sup>3</sup> <https://www.salesforce.com/resources/research-reports/state-of-the-connected-customer/>

While the pandemic continues raging on, brick-and-mortar will face challenges as many consumers remain wary of in-store shopping. In fact, **only 28% of US consumers plan to increase their in-store shopping** through February 2021<sup>4</sup>.

**But brick-and-mortar isn't dead yet!**

Brick-and-mortar has been trying to adapt to consumers' growing preference for digital for years now, and the pandemic is forcing the resilient warrior to pivot once again. To get consumers into their stores, retailers must now give potential customers a compelling reason to visit.



## What trends will surge in 2021 to help keep brick-and-mortar alive?



**Geofencing** is one way to target shoppers who are in close proximity to your brick-and-mortar location. Retailers can build a “virtual wall” around their targeted store, like a 10-mile or 15-minute radius. Geofencing is the perfect way to target shoppers with timely offers through push notifications like “50% off for the next three hours only!” and can be a great way to provide perks to members of your rewards program. Adding personalized recommendations to the customer could boost your sales even more.



**Local search** is another way to target shoppers close to your store. With “near me” searches more than tripling since 2016<sup>5</sup> and over 50% of “near me” searches inspiring a store visit, optimizing your meta tags and descriptions to push your business to the top of the SERP will be crucial in 2021. In fact, by not optimizing for local SEO, you could be missing out on ranking for 46% of all Google searches<sup>6</sup>. If you can include “easy curbside pickup” in your descriptions, that’s even better!



**Unique in-store experiences** have been growing in importance for brick-and-mortar locations. This trend is another trend that was accelerated by COVID-19. With the safety and convenience of online shopping, brands need to give consumers a good reason to visit a physical store. Consider starting a compelling in-store social media campaign that inspires shoppers to tag your brand on their posts or stories to help bridge the gap between offline and online.



**Supreme customer service** will also elevate your brand’s brick-and-mortar presence. Warm and welcoming in-store workers who can give a shopper a highly personal experience will help more shoppers take the journey from the consideration stage to post-purchase.

**Bonus tip:** Make sure your customer service phone reps are prepared to handle delayed shipping concerns if you expect to experience any supply chain strain related to the pandemic.



Lastly, many brands will take the extra step to **prioritize health, safety, and wellness** in their stores. Doing so will go a long way in helping consumers feel more comfortable shopping with you. Ensure your store is set up to allow plenty of distance between shoppers, especially in your checkout lines. Consider putting up signs reminding shoppers to keep a distance and wear their mask or setting up hand sanitizer stations throughout your store to take the extra step to help your customers feel safe.

4 <https://www.digitalcommerce360.com/2020/10/26/tips-to-help-retailers-to-survive-the-changing-brick-and-mortar-landscape/>

5 <https://trends.google.com/trends/explore?date=2016-11-02%202020-11-02&geo=US&q=%22near%20me%22>

6 <https://www.go-gulf.com/local-search-engine-marketing/>

# BOPIS Bops to the Top

Prior to the pandemic, limited-contact shopping options like **curbside pickup and buy online, pick up in-store** (also known as BOPIS, BOPUS, or click-and-collect) were simply convenient options for consumers on the go.

With 90% of online shoppers stating that high shipping fees and delivery times of over two days will prevent them from completing a purchase online<sup>7</sup>, curbside pick-up and BOPIS have also been great ways for consumers to get their products quickly without having to spend time searching the store or waiting for shipping.

In the age of COVID-19, these options have surged as a safety precaution, with many consumers continuing to practice social distancing and avoid busy shopping centers. The immediacy of BOPIS and curbside pickup make these especially attractive options for consumers concerned about delayed delivery and shipment, which have been significant issues during the pandemic.

<sup>7</sup> <https://m.gofisher.net/blogs/omnichannel-retailing-trends-2018>





In fact, after growing a modest 35% year-over-year in January 2020<sup>8</sup>, **BOPIS grew 259% year-over-year by August 2020<sup>9</sup>**. Similarly, 6.9% of the Digital Commerce 360 Top 500 offered curbside pickup at the end of 2019, compared to 43.7% by August 2020<sup>10</sup>.

## Just the Stats

**85%** of shoppers have significantly increased their use of curbside pickup over the course of the pandemic

**79%** of shoppers say that contactless store pickup is very important to them

**80%** of shoppers expect to increase their use of BOPIS & curbside pickup through March 2021<sup>11</sup>

**Contactless payment** will also continue to surge in 2021. One in six consumers made their first contactless transaction during the pandemic, with **86% of first-time contactless users planning to continue making contactless payments**. Adoption was highest among Gen Z (25%) and Millennials (23%), with even one in 10 Baby Boomers making contactless payments over the pandemic<sup>12</sup>.



### The 411 on Contactless Payment:

Contactless payment (also known as tap-and-go) refers to debit and credit card technology that allows shoppers to simply hover their card over a payment terminal in order to make a transaction. The terminal reads the card information using radio frequency identification (RFID) and near-field communication (NFC) technology.

8 <https://blog.adobe.com/en/publish/2020/01/14/adobe-analytics-helps-retailers-bridge-online-shopping-and-physical-stores.html#gs.keuedt>

9 [https://www.adobe.com/content/dam/www/us/en/experience-cloud/digital-insights/pdfs/adobe\\_analytics-digital-economy-index-2020.pdf](https://www.adobe.com/content/dam/www/us/en/experience-cloud/digital-insights/pdfs/adobe_analytics-digital-economy-index-2020.pdf)

10 <https://www.digitalcommerce360.com/2020/08/25/e-commerce-during-coronavirus-pandemic-in-charts/>

11 <https://www.incisiv.com/ebook-the-new-store-shopper-in-high-touch-retail>

12 <https://www.sdexec.com/sourcing-procurement/press-release/21196958/sp-global-market-intelligence-covid19-drives-cash-displacement-and-contactless-payment-growth>

## Supply Chain Strain

In 2020, while brands faced unprecedented fulfillment strain due to the coronavirus pandemic, consumers experienced drastically delayed shipping times, a surge in out-of-stock items, and shuttered store doors.

To cope with increased demand, Amazon went on a major hiring spree in 2020, while Instacart more than doubled its workforce within a single month<sup>13</sup>. Other retailers had to pivot their promotion schedule due to supply chain hiccups caused by the pandemic, with **60% of consumer goods brands being forced to cancel promotions**. Additionally, nearly half of consumer goods manufacturers experienced or expected having to compensate their margins for out-of-stock items due to the pandemic in August 2020<sup>14</sup>.



### **Additional Insight:**

Crises are defined by their uncertainty. It's impossible to predict what part of your business they will target. The key is to be prepared and agile.



Supply chain disruption will likely continue into 2021. At the same time, consumers will continue to expect the fast and free shipping they've grown accustomed to.

Brands that diversify manufacturing, selling, and distribution will minimize the detrimental impact of COVID-19 on their shipping times and prevent unhappy shoppers. The more sources you have for your products, the more prepared you are to weather a crisis. **Diversification will emerge even stronger in 2021** as a strategy for brands to safeguard their business and help make it easier to bounce back when the disruptions subside.



**Additional Insight:**

The ability to remain efficient and have a quick response time in a rapidly changing market will set the great brands apart from the mediocre in 2021.



# Artificial Intelligence is ~~the~~ Future Now

**\$267 billion.** That's how much the artificial intelligence market will be worth by 2027<sup>15</sup>.

As marketers propel past the uncertainty of 2020, the role of artificial intelligence will only become more crucial to new customer acquisition and profitable decision-making.

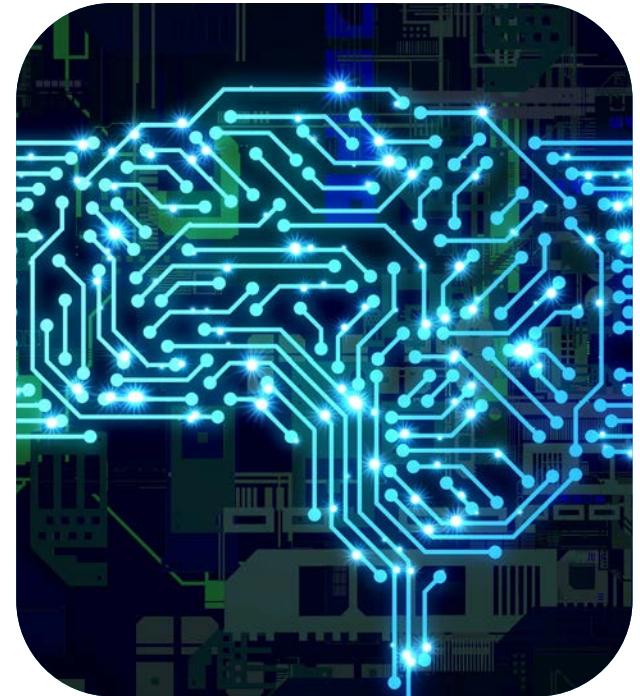
More and more businesses will turn to artificial intelligence to make highly intelligent & data-driven decisions, streamline & automate time-consuming marketing tasks, and free up time to focus on big-picture ideas to boost brand growth.

## Just the Stats

**8.4 billion** AI-powered voice assistants will be used around the world by 2024<sup>16</sup>

**44%** of businesses report cost savings from using AI<sup>17</sup>

**62%** of consumers are willing to submit data to AI for better shopping experiences<sup>18</sup>



### Additional Insight:

Don't fall behind. It's time to critically think about how your brand can embrace artificial intelligence for more revenue generation.

<sup>15</sup> <https://www.fortunebusinessinsights.com/industry-reports/artificial-intelligence-market-100114>

<sup>16</sup> <https://www.statista.com/statistics/973815/worldwide-digital-voice-assistant-in-use/>

<sup>17</sup> <https://www.mckinsey.com/featured-insights/artificial-intelligence/global-ai-survey-ai-proves-its-worth-but-few-scale-impact>

<sup>18</sup> <https://www.salesforce.com/blog/einstein-case-classification/>

## ABCs of Attribution

**A is for accurate attribution.** Having an attribution model that can identify and track every touchpoint throughout the customer's entire path to purchase is no longer an option, but a necessity. The reality is, **attribution will only become more crucial in 2021 and beyond** as more disruptions to the traditional sales funnel arise.

**B is for bridging the gap.** It's time to stop treating your campaigns as if they're separate entities with separate goals. **Your entire advertising mindset needs to be unified.** You're losing out on a massive amount of potential customers if you're relying on only a first- or last-click attribution model.

**C is for customers.** Accurate attribution allows you to easily segment your shoppers into highly granular buckets for personalized advertising. Utilizing this attribution data empowers your sales funnel to propel shoppers to a purchase, boosts customer lifetime value & customer loyalty, and supercharges your brand's overall profitability.



## Get With the Programmatic

Programmatic advertising isn't anything new, but it's exploded on the scene in recent years and only continues to grow. In 2016, programmatic ad spend accounted for roughly \$25.5 billion. **Fast-forward to 2021, and that number is expected to jump to nearly \$80 billion<sup>19</sup>!**

Programmatic display advertising gives brands the opportunity to get their message in front of highly targeted custom audiences, wherever they are on the internet, all the while leveraging the exhaustive consumer data points of advertising giants like Google, Amazon, Facebook, and TradeDesk.

AI-powered real-time bid adjustments, dynamic ad creation, and even programmatic ad buying empower programmatic campaigns to automatically serve ads only to consumers with the highest purchase intent to get you the most bang for your buck.



# Fueling Full-Funnel Domination With Video

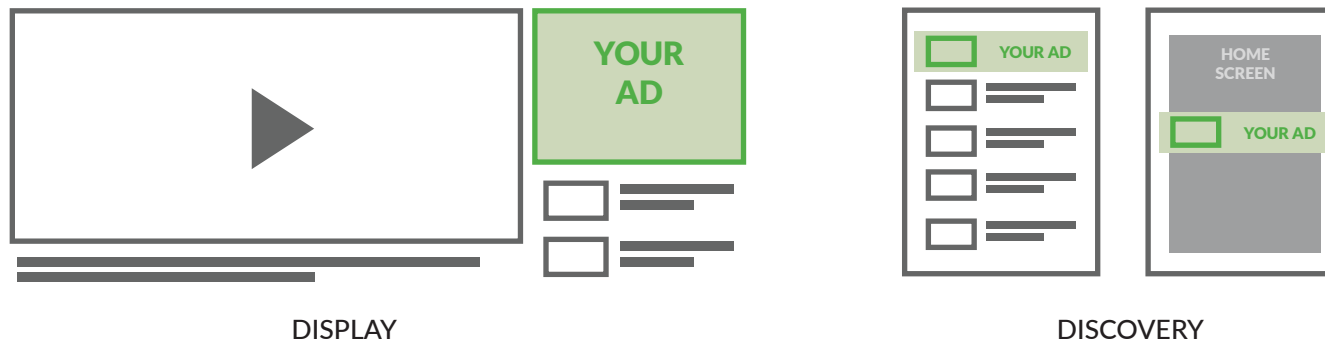
Viewers are 95% more likely to remember a CTA after watching it in a video, versus 10% when reading text<sup>20</sup>. YouTube, Amazon, and Facebook all provide unique opportunities for brands to drive new awareness through video.

## YouTube TrueView

YouTube is the world's second largest search engine, presenting brands with a grand opportunity to drive profits and awareness.

**TrueView video & discovery ads** appear on the YouTube search results, and watch pages, and the homepage. They offer a powerful platform to create engaging, story-driven content to promote brand awareness and perform best with engaging, educational content.

**TrueView for Google Shopping** ads overlay YouTube videos with featured products from the already successful Shopping format. With one click, customers are directed to the products in the video and can purchase them without any in-between steps, significantly reducing friction.



<sup>20</sup> <https://www.forbes.com/sites/yec/2017/07/13/how-to-incorporate-video-into-your-social-media-strategy/?sh=291c0ba27f2e>



## ***Amazon Sponsored Brands Video***

In October 2020, Amazon introduced Sponsored Brands Video as an open beta for Amazon vendors and sellers with Brand Registry. This new ad format highlights a single product with an autoplaying video. ROI has seen **400% better click-through rate**, **80% higher conversion rate**, and even **lower ACoS** with Sponsored Brands Video than original Sponsored Brands campaigns.

## ***In-Stream Facebook Video Ads***

In-Stream Facebook Video Ads offer a great opportunity to increase top-of-funnel visibility with a global audience. These ads range from five seconds to two minutes and can appear during videos catered to specific audiences or in live streams with approved partners.

### **Just the Stats<sup>21</sup>**

**1+ billion** consumers see a video ad through Facebook's Audience Network every month

**74%** average completion rate for In-Stream Video Ads on Facebook Audience Network

**88%** on-target delivery for age & gender through Facebook Audience Network

<sup>21</sup> <https://quarterlab.com/guide-to-facebook-video-ad-campaigns-best-practices/>



**BRAND**



# Brand Awareness Battlegrounds

In 2020, more than 75% of US consumers tried new brands<sup>22</sup>. Marketers now have more of an opportunity to drive new consumers to their brand than ever.

**In 2021, you're selling your brand just as much as you're selling your product.**

Brand awareness has historically been difficult to track, with top-of-funnel efforts harder to measure than more tangible results like qualified leads and new customers. It doesn't help that depending on your industry or vertical, the customer's journey from discovery to purchase could take years.

Far too often, businesses are focused solely on increasing conversions and the bottom-of-funnel tactics that lead to a sale. While sales are obviously the ultimate end goal, if you aren't focused on the entire customer journey, you've already lost the sales game.



## **Additional Insight:**

**Investing in brand awareness will benefit your long-term brand growth and profitability. Are your brand's growth goals in alignment with your multichannel marketing approach?**

## 4 Tips For Building Your Brand Awareness Online

1

### Build a great first impression.

First impressions are everything, and more often than not, consumers *do* judge a book by its cover when it comes to seeing your website for the first time. The first step is *knowing* consumers' first impression of your brand when they arrive at your website or Amazon Store - and then gaining control over it. Having an amazing customer experience is a great place to start. Make sure that key components like your site search, checkout process, and creative are optimized to be clear and easily understood.

2

### Focus on product reviews.

Third-party review platforms are great for building brand awareness because potential customers are highly likely to trust that the comments are authentic to your true brand identity. You can give first-time shoppers a great first impression of your brand by responding to both positive and negative reviews soon after they roll in. With **20% of negative reviews mentioning customer service**<sup>23</sup>, investing in your customer service will help show first-time shoppers that your business truly cares about your customers.

3

### Highlight your brand everywhere you can.

On Amazon, you can build brand awareness by using enhanced brand content as well as branded titles, images, and ads. Every product title should include a brand name. You can conquest competitors' listings with branded ads to make your brand the first thing the shopper sees. And no matter where you're selling, if you have control over your packaging, don't forget that this is consumers' first impression of your product when they see it for the first time.

4

### Know your brand promises - and deliver on them.

If your brand presence indicates any sort of promise, it is crucial to follow through on that. As you'll learn more about on the next page, consumers want a brand they can believe in. One of the most important brand promises is that your customer will receive the product they purchase when they expect to, especially in the age of COVID-19. Look at past sales and current inventory daily and use automation so you always know how much stock you need. Keep in mind that if you're selling on Amazon and run out of stock frequently, you will be penalized by the algorithm, which will make it much harder for shoppers to discover your brand.

# Trust Is a Must

Gone are the days when your brand's reputation rested solely on having a good product and fantastic customer service. **Expert executives have started prioritizing brand authenticity** as savvy consumers increasingly prioritize spending their money with ethical and transparent brands.

With growing concerns like social unrest, the coronavirus pandemic, and consumers' general distrust in brands, brand authenticity has become absolutely crucial for brands that want to grow in 2021 and beyond.

## Consumers want brands they can believe in.

As our worlds become even more digital due to the pandemic, consumers increasingly crave more genuine experiences. Brand authenticity creates those genuine experiences and builds stronger connections because consumers resonate more with honest messages and ideas.

1  
—  
3

of consumers will stop buying a product if they lose trust in the brand<sup>24</sup>





**70%**  
of consumers distrust  
traditional advertising<sup>25</sup>

By being as *genuine, transparent, and ethical* as possible, brands are more likely to gain consumer trust, which in turn generates long-term brand loyalty. Maintaining trust with consumers should be a key component of your marketing strategy as we advance into another unprecedented year.

Today's critical consumers can see through disingenuous messaging and know whether your brand is really walking the talk, so it's crucial to deliver on your promises and ensure that your campaigns don't lack substance. Brands that back up their honest claims with honest actions will naturally earn a great reputation among consumers.

<sup>24</sup> <https://newsroom.ibm.com/2020-01-10-IBM-Study-Purpose-and-Provenance-Drive-Bigger-Profits-for-Consumer-Goods-In-2020>  
<sup>25</sup> <https://www.marketingweek.com/arrogance-brand-purpose-distrust-ads/>

With **87% of executives rating reputation risk as more important than other strategic risks<sup>26</sup>**, brands that want to grow profitably in 2021 and beyond will have to hop on board the brand authenticity train.

Who are the most important stakeholders when it comes to managing a brand's reputation risk? *Customers*. Consumers now prioritize shopping from brands that are sustainable, transparent, and aligned with their core values - and they're willing to pay more and change their tried-and-true buying habits to make that happen.

**41% of companies that experienced a negative brand reputation event reported a loss of revenue & brand value<sup>25</sup>.**



What will be the most important factors that consumers will look for in an authentic brand in 2021?

**Corporate responsibility** means being socially accountable to your customers, employees, and communities. Brands who successfully execute corporate responsibility take human rights, the community, social impacts into consideration in all aspects of its operations.

**Environmental awareness** is steadily growing as a reputation risk. 30% of consumers are willing to pay more for environmentally friendly shipping and packaging<sup>27</sup> and 66% will pay more for sustainable goods.

**Transparency** has also become a key factor in many consumers' purchase decisions. Some of the factors that consumers now consider before making a purchase decision include ingredient quality, the ability to trace a product back to its original source, and whether the product is sustainably & ethically manufactured.



**Additional Insight:**

Should you experience a negative brand reputation event, your response will be crucial. The reality is that consumers' perception of your brand will have a major impact on your bottom line in 2021.

<sup>27</sup> <https://www.digitalcommerce360.com/2020/11/10/how-retailers-work-to-make-fulfillment-sustainable-with-thoughtful-packaging-and-slower-shipping/>



## Hi [First Name], Personalize Your Marketing

Today's consumer is savvy. It's 2021 - shoppers don't fall for the gimmicky advertising, over-the-top pitches, or spammy tactics of yesteryear.

Consumers expect a unique shopping experience that makes them feel like a genuinely valued customer. By catering to shoppers' individual needs and preferences through personalization, brands can help customers feel like their needs are important.

Personalization could mean having AI that recommends products to shoppers based on previous purchases or an automatic email reminding them that they left an item in their cart.

If you collect data on your shoppers' behavior, you can also use personalization to help you target your audience more effectively. Consider segmenting your shoppers into different categories based on their place in the funnel or the type of product they are interested in. Using that information to strategically show the most relevant ads to shoppers can supercharge your click-through rates and sales.

### Just the Stats

**80%** of consumers are more likely to buy when brands offer personalized experiences<sup>28</sup>

**83%** of shoppers will exchange their data for a more personalized experience<sup>29</sup>

**88%** of US marketers have seen measurable results from personalization<sup>30</sup>

<sup>28</sup> <https://us.epsilon.com/pressroom/new-epsilon-research-indicates-80-of-consumers-are-more-likely-to-make-a-purchase-when-brands-offer-personalized-experiences>

<sup>29</sup> [https://www.accenture.com/\\_acnmedia/PDF-77/Accenture-Pulse-Survey.pdf](https://www.accenture.com/_acnmedia/PDF-77/Accenture-Pulse-Survey.pdf)

<sup>30</sup> <https://instapage.com/blog/personalization-statistics>





# Keep Out! Protecting Your Customer's Privacy

Adhering to consumer data privacy regulations and being transparent about what you do with consumer data aren't just choices anymore - they're necessary.

New data privacy regulations will continue emerging as consumer data continues to be utilized in new ways for targeting and personalization. While this may introduce new roadblocks or concerns for brands in the short-term, the long-term benefits shouldn't be forgotten.

The enforcement of these rules will make it easier for consumers to trust brands, especially as we move forward in an age where brand trust will only be increasing in importance.

Shoppers want to feel good about where they spend their money and feel confident that their personal information is being used ethically - and choose whether they want it to be used in the first place.



## Just the Stats

**84%** of shoppers want more control over how their data is being used<sup>31</sup>

**79%** of Americans feel concerned about how their data is being used by companies<sup>32</sup>

**54%** of consumers say companies don't use data in a way that benefits them<sup>33</sup>

31 <https://www.cisco.com/c/dam/en/us/products/collateral/security/cybersecurity-series-2019-cps.pdf>

32 <https://www.pewresearch.org/internet/2019/11/15/americans-and-privacy-concerned-confused-and-feeling-lack-of-control-over-their-personal-information/>

33 <https://public.tableau.com/en-us/gallery/staying-cyber-secure-while-working-home>

Some of the biggest privacy initiatives impacting marketers in 2021 are the **General Data Protection Regulation (GDPR)**, **California Consumer Privacy Act (CCPA)**, and **California Privacy Rights Act (CPRA)**.

First effective in 2018 and 2020 respectively, the GDPR and CCPA will remain important for brands who use consumer data in marketing efforts. CPRA regulations aren't yet in effect.

### **General Data Protection Regulation (GDPR)**

Lays out seven key principles for businesses that collect consumer data in the EU: lawfulness, fairness, and transparency; purpose limitation; data minimization; accuracy; storage limitation; integrity, confidentiality, & security; and accountability.

### **California Consumer Privacy Act (CCPA)**

Gives consumers the right to know what personal information of theirs is being collected, used, shared, or sold, the right to delete personal information held by businesses, and the right to opt out of sale of personal information, among others.

### **California Privacy Rights Act (CPRA)**

An extension of the CCPA that adds new criteria for which businesses are regulated, a new category of sensitive personal information, new and modified consumer privacy rights, and more. California voters approved its creation in November 2020 and measures will go into effect in January 2023.



#### **Additional Insight:**

Failing to adhere to these privacy protection regulations can have dire consequences for brands. Businesses can be penalized large amounts of money by courts or sued by individual consumers.

# The Cookie Is Crumbling

Since the dawn of digital, marketing strategies have relied on cookies as a proxy for identity. But the world of marketing is changing.

**The departure of browser-based tracking is upon us.**

In early 2022, Google will phase out third-party cookies running on Chrome. With Chrome having over 70% of the market share for browsers<sup>34</sup>, this shift will have a huge impact on how brands track, target, and engage with customers.

Safari (with 8.89% of the market share) and Firefox (with 7.69%) have already phased out third-party cookies.

Whether you're just beginning to think about the impact of these changes or have already shifted to using more first-party data, **the shift to a cookieless future will be a major focus for your business in 2021.**

Brands large and small will need to reimagine how they collect and leverage data throughout all stages of the funnel, from new customer acquisition to remarketing. Attribution, unique visitor counting, and retargeting will all change when cookies go away.



## 3 Tips for Marketers Impacted by the Impending Shift Away From Third-Party Cookies

- 1** **Cookie deprecation** will require you to revisit your company's data strategy in 2021. Understand how and where you will be able to connect data.
- 2** **Having a great customer experience** starts with having data that your brand can use with confidence and utility. Build in ways to gather customer consent and data. Smart marketing campaigns that grow engagement & loyalty may help encourage people to consent to cookies.
- 3** **Evaluate how your technology can help** you build out customer profiles over time - or invest in a technology that will. A CDP (customer data platform) can give you the flexibility to quickly adjust your marketing strategy to comply with the ever-changing privacy landscape, which is imperative to any forward-moving business.

While the shift to using first-party data may come with some hurdles, it also comes with a lot of positives. There is a lot of inherent value in being able to understand your customer through *your own first-party data* and providing highly personalized experiences because you know that your customer wants them.

### What Is a CDP?

A CDP (customer data platform) is a flexible identity resolution tool that progressively aggregates, organizes, & stores customer data across a variety of touchpoints, meaning customers won't be continuously prompted to consent to cookies.



#### Additional Insight:

With all of these privacy initiatives in place, 2021 will be about the balance of privacy and personalization.



## The Rise of D2C

Direct-to-consumer (D2C or DTC) brands promote and sell their product directly to consumers instead of selling through a third party like a marketplace or brick-and-mortar location, and thus cater more toward rising priorities like convenience, product quality, low cost, authenticity, and a seamless shopping experience.

D2C is rapidly on the rise, with **D2C ecommerce sales** in the US surging from \$6.85B in 2017 to a **projected \$21.25B in 2021**<sup>35</sup>.

In fact, 1 in 4 US consumers are making a shift to D2C products because of **greater convenience**, with 1 in 6 making the shift because they **perceive D2C quality to trump that of traditional brands**<sup>37</sup>.

With the rise of the coronavirus pandemic and consumers being less likely to set foot in stores, D2C will continue to rise in 2021 and beyond.




### Additional Insight:

Only 22% of D2C brands reported a decline in sales at the start of the pandemic, compared to 80% of traditional retailers<sup>36</sup>.

35 <https://www.statista.com/statistics/1109833/usa-d2c-ecommerce-sales/>

36 <https://www.talktototem.com/dtc-insights/dtc-brands-response-to-covid>

37 <https://www.diffusionpr.com/us/news/94>



Brands making a shift to D2C should keep in mind that most US consumers feel that customer service and personalization from D2C brands is inferior to customer service from traditional brands.

**By investing in customer service and personalization, D2C brands can differentiate themselves** from the competition and grow profitably despite the trials and tribulations of the past year.

D2C also gives brands more control over their reputation with the ability to be closer to the customers' experience throughout the entire funnel. Some commonly known successful D2C brands include Chewy, SmileDirectClub, Stitch Fix, Casper, and Warby Parker.

### Just the Stats

**46.3%** of digital buyers will purchase from a D2C brand in 2021<sup>38</sup>

**81%** of consumers will buy from a D2C brand in the next three years<sup>39</sup>

D2C ecommerce sales were projected to reach **\$17.75** billion in 2020<sup>34</sup>

<sup>38</sup> <https://www.emarketer.com/content/direct-to-consumer-brands-2020>

<sup>39</sup> <https://www.retaildive.com/news/81-of-consumers-plan-to-shop-direct-to-consumer-brands/>



## Picture It: Augment Your Brand's Ecommerce Reality

Augmented reality (AR) combines digital information with a physical environment in real time, allowing consumers to preview products before making a purchase so they're more likely to buy the right product the first time.

**By 2023, augmented reality (AR) is expected to be a nearly \$149 billion industry<sup>40</sup>.**

In light of the coronavirus pandemic, augmented reality can help consumers understand the product they want to purchase without having to go into a store.

For example, **our client LL Flooring** implemented an AR tool on their website after state-mandated store closures. By uploading a photo of their room, users can see what it would look like with different flooring options. This is a great example of a pandemic-related pivot that could be incredibly valuable to customers even after the pandemic subsides.

Augmented reality is coming to the forefront as a key differentiator to make your brand more appealing to shoppers. It's time to critically think about how your brand can embrace augmented reality for more revenue generation.



## Voice Search Getting Louder

With over 66 million Americans owning a smart speaker, **voice search is projected to be a \$40 billion channel by 2022**. And since 43% of voice-enabled device owners use their device to shop and 11.5% of smart speaker owners make voice purchases *monthly*, the future is bright for voice search<sup>41</sup>.

Now is the time to consider optimizing your ads toward voice search. People speak differently than they type. When people speak, they tend to ask questions or make a full statement as opposed to a fragmented phrase or keyword like when typing.

Your page gains **31% more traffic when it ranks first for a search term and is the featured snippet** compared to having the first position without the featured snippet<sup>42</sup>. To optimize your content for featured snippets, remember that longtail keyword groups with a high volume of searches are ideal.



### Additional Insight:

Building your ad content around answering a full question or statement can help you reach a much larger audience in voice search.

<sup>41</sup> <https://www.dialogtech.com/blog/voice-search-statistics/>

<sup>42</sup> <https://www.brafton.com/blog/seo/8-voice-search-statistics-in-2019-and-why-they-matter/>

## Tying It All Together

If there's one lesson we can take away from 2020, it's that ***change is the only constant*** - and this will continue to ring true in 2021.

No matter the industry, all brands will face unique challenges in 2021. Stepping up to this challenge will require complex new initiatives, strategies, and realignments.

With this guidebook, you now possess the knowledge and strategies to help you steer your brand toward your goals, whether that's expanding your online reach, optimizing conversion rates, or simply growing revenue year-over-year.

The power lies in your hands to take what you've learned here and implement it in your business - but it's always nice to have a helping hand. We'd love to help you achieve whatever goals you have as a seamless extension of your team. Reach out to connect 1-on-1 with our team of experts today at [roirevolution.com/2021consult](https://roirevolution.com/2021consult) to see how we could help you.

**Cheers to your 2021 success!**



# Additional Resources

## Replatforming Your Website *White Paper*



Replatforming your website is a major undertaking. There's no simple solution or magic button you can press to get the job done quickly and efficiently. It takes a commitment of time, resources, and patience to effectively transition your website.

Download at:

[roirevolution.com/rep1](https://roirevolution.com/rep1)

## Amazon Sponsored Products *White Paper*



Amazon advertising has grown more than 500% in the last six years, and accounts for more than \$1.5 billion in annual ad revenue. How can your brand leverage this fast-growing, competitive advertising channel? By investing in Amazon Sponsored Products.

Download at:

[roirevolution.com/amz1](https://roirevolution.com/amz1)

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ROI's proven digital experts have been **amplifying brand growth since the dawn of digital**. We have a reputation for **helping brands identify untapped potential** through custom multi-channel strategies. Our best-in-class teams and technology empower hundreds of brands to drive billions in annual revenue.

No matter the obstacles and opportunities your brand faces, **we're here to act as a trusted extension of your team**. We don't have a "set it and forget it" approach to account management. We drive profitable revenue and new customer acquisition at scale through **consistent communication** and **ongoing campaign optimization**.

Reach out to connect **1-on-1** with our team of experts today.

#### Dedicated to Achieving Brand Growth Through:

- Full-funnel advertising strategies to supercharge profitable customer acquisition on **Amazon, Google, Facebook, and more**.
- **ROI's Revolution Suite™**, combining the hybrid intelligence of smart technology and human logic to accelerate your return on investment
- Optimization of your website to boost conversion rates, optimize content strategy, and **grow your organic search presence**.
- Strategic partnerships with **Google, Microsoft, Facebook, Instagram, Pinterest, Amazon, Snapchat, Feedonomics**, and more.

**WE'RE HERE TO HELP!** Visit us anytime at [roirevolution.com/2021consult](https://roirevolution.com/2021consult)