

# SHOPTALK

LAS VEGAS

Zenith

The ROI agency



# SHOPTALK Key Trends 2023

26-29 March 2023

Mandalay Bay, Las Vegas



# Agenda

- 01 Retail media networks
- 02 Generative AI & ChatGPT
- 03 AR - Augmented Reality
- 04 Creator economy
- 05 Social commerce
- 06 Authenticity
- 07 QSR



# SHOPTALK Key Trends 2023

Shoptalk is the annual gathering of thousands of retail innovators who come together to shape the future of the industry.

The Shoptalk agenda encompasses the most recent technologies, trends, and business models, as well as the rapid evolution of consumer discovery, shopping, and purchasing—covering everything from retail to FMCG, electronics and beauty.

This year, as an ROI-driven agency, Zenith was at the forefront of the event, showcasing how to connect with consumers at their preferred shopping destinations, enhance their experiences, and engage them with cutting-edge technologies such as live streaming, generative AI/ChatGPT, AR and the creator economy.

Zenith's presence was amplified by exhibition booths from [Epsilon](#), [CitrusAd](#), and [CJ](#), and collaborations with [Profitero](#), [Publicis Sapient](#), [Digitas](#), and other key Publicis Groupe agencies.

What follows is a roundup of the essential trends from this ground-breaking commerce event.





# Retail Media Networks

It seemed impossible to walk the floor or attend the sessions at Shoptalk without being inundated with thoughts about and solutions for Retail Media. The topic has grown from being discussed by practitioners on niche shopper marketing blogs, to being discussed by CEOs on earnings calls. And there's an easy explanation for why retail media is everywhere these days. It's disrupting both retail and media and is changing the way retailers and brands collaborate.

Retailers should not overlook the value of their owned assets in the modern era of digital retail media. The concept of digital retail media came about when eCommerce pure-play and mass retailers began to monetise website traffic. However, this does not mean that success in retail media is limited to large eCommerce businesses. The key to a winning model lies in the combination of customer traffic and ad serving. Pure-plays have ample digital traffic, while grocery stores possess physical traffic and loyalty data. C-stores have repeat traffic and impulse shopping, and dollar stores cater to rural shoppers. Hence, any retailer, regardless of size, can transform their owned assets into valuable and productive retail media solutions.

Retailers and brands should eagerly embrace technology enablers. With advancements in advertising technology, it is now possible to serve brand advertising to a retailer's customers in various spaces, including the open web (i.e. "offsite") and physical stores. Online identity-based advertising has continuously evolved to keep pace with new technology and privacy regulations. Furthermore, digital in-store technology can make any screen function like an online banner ad. These capabilities enable retailers to achieve greater scale and fully leverage the customer touchpoints that are unique to their business.

Brands should broaden their retail media activation to encompass retailers with distinctive and/or hard-to-reach customer bases, including small ones. As retail media programmes evolve, retailers are employing increasingly sophisticated tools to streamline and enhance purchasing. Many retailers now have dedicated teams to facilitate media buying and collaboration. To ensure that retail media investments align with and bolster trade and other expenditures, it is important to present ideas during joint business and category planning meetings.



# Generative AI & ChatGPT

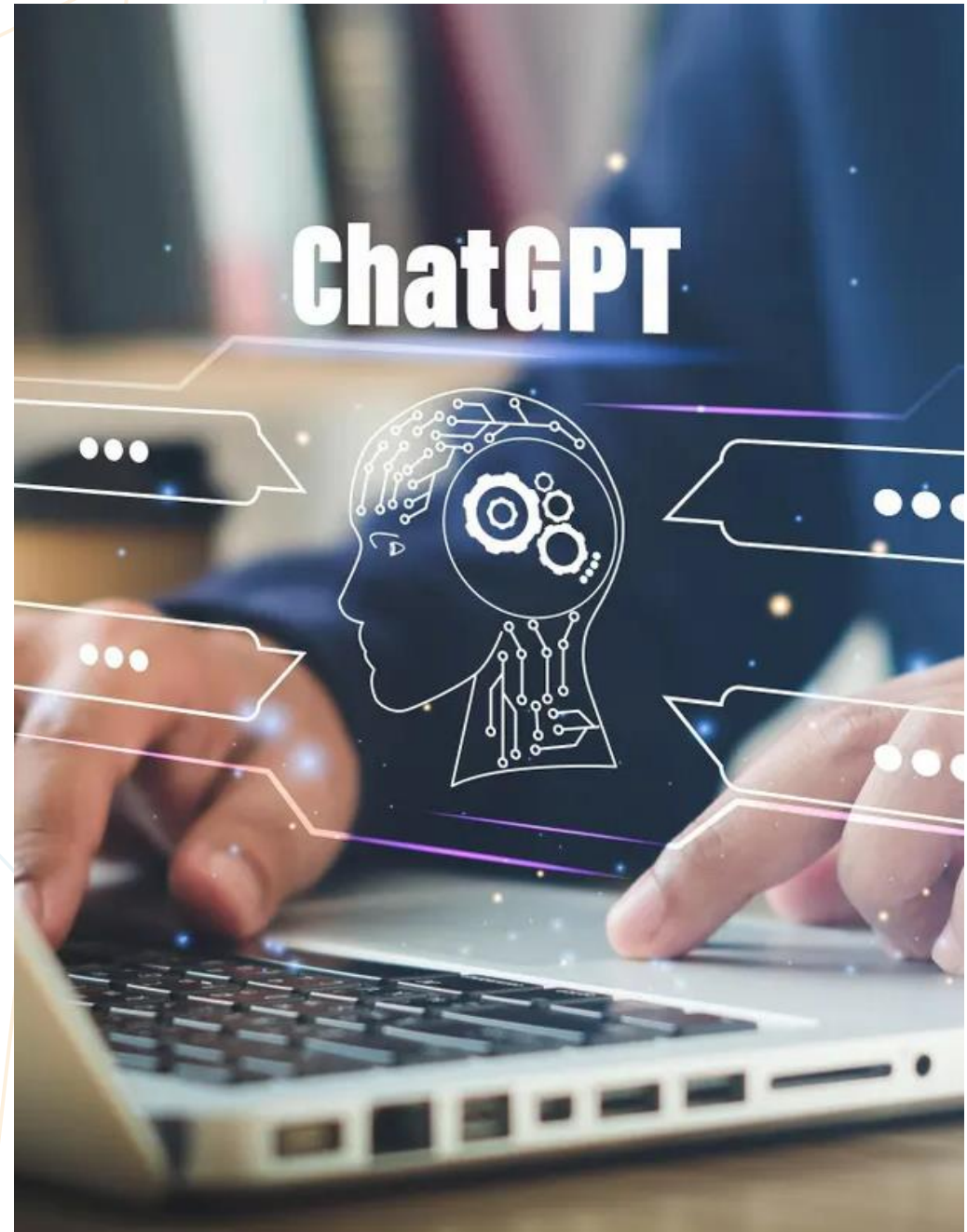
There has been no shortage of discussions about how AI will revolutionise our daily lives - some even likening it to the introduction of the iPhone. But amidst this excitement for AI and machine learning, there is a growing recognition that human expertise will still be essential to effectively define, prioritise and implement these technologies.

ChatGPT specifically is a hot topic in the media due to its potential to provide information quickly. With a data-driven approach, it offers a more engaging customer experience, delivering personalised content that helps retailers cut through the noise.

ChatGPT chatbots can understand customer requests, learn behaviour patterns to customise responses, and eventually anticipate their needs. Companies such as Instacart and Opentable are already using it to curate shopping lists and make restaurant recommendations. While ChatGPT has the potential to become more engaging when it fully understands human linguistics, it is still in the early stages, and effective use at scale will require a deep understanding of the technologies involved.

While AI has the potential to rapidly evolve any organisation, many leaders recognise that the best implementations will depend on human talent to define and activate them. Integrating AI does not necessarily mean replacing jobs, but rather creating a more effective balance of technology and talent to execute tasks. Nordstrom's Alexis Depree has noted that employees are not only open to tech-powered roles, but also expect them. Caleb Pearson of McDonald's emphasised the importance of people and humanity in driving the best brands forward on his customer data and AI focused panel.

By involving and empowering their employees, organisations can ensure that AI is leveraged effectively, and that the human element remains at the core of their operations.





## AR - Augmented Reality

AR has evolved from a fun way to use Snapchat to a powerful tool for personalising engagement and testing products and services. Customers who use AR spend more time in-app and are more likely to make a purchase, while retailers who use AR experience fewer product returns.

Despite these benefits, fewer than 10% of retailers are currently using AR in their shopping experiences. As the technology continues to advance, its use cases and functionality will only increase, making it an even more important tool for creating engaging shopping experiences.

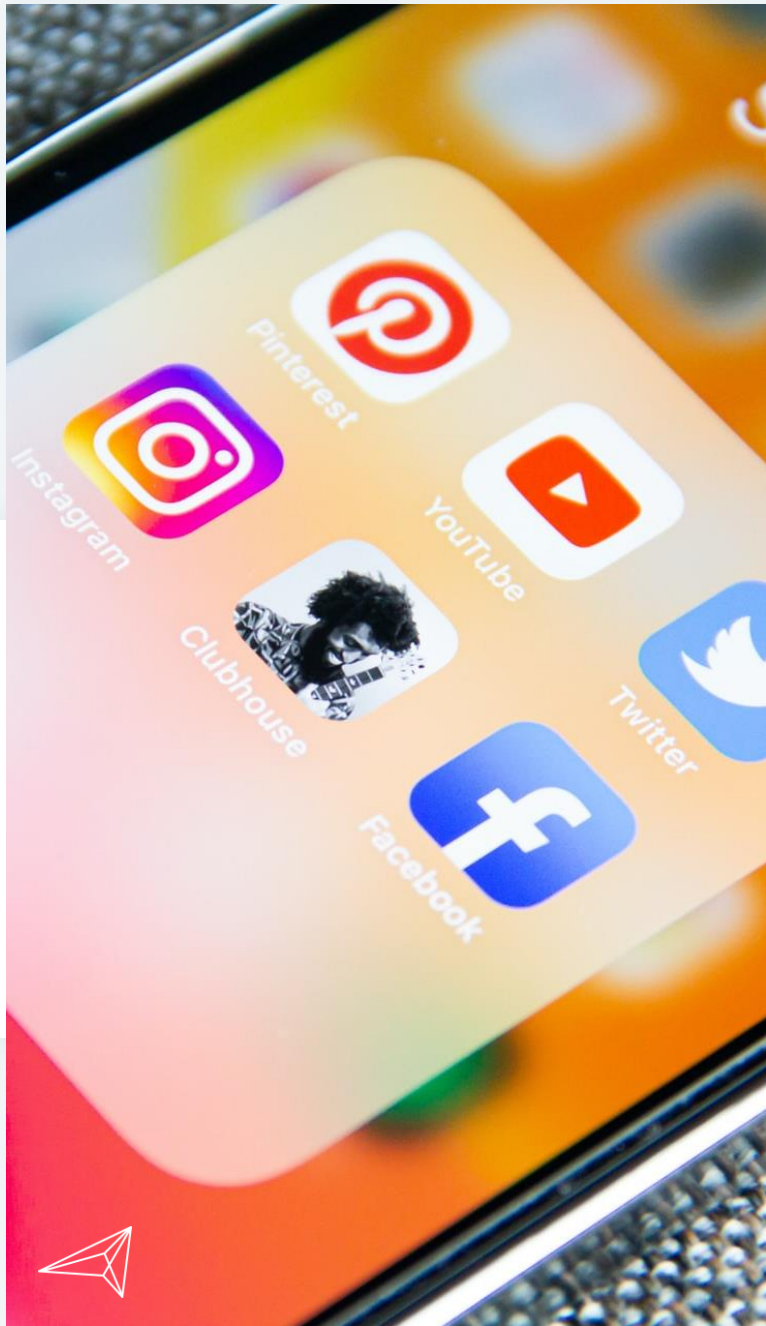
# Creator Economy

Influencer marketing is no longer new and has become a crucial part of brand and retailer marketing. However, the Creator Economy is expanding the role of creators beyond just promoting brands, giving rise to new opportunities for engagement and revenue streams. Livestreams, for example, are transforming shopping into a more experiential activity.

Creator network Jellysmack has partnered with Roku to develop original series on its platform, providing viewers with exciting new ways to discover and shop through its shoppable capabilities and extensive reach. Retailers like Walmart are collaborating with creators to incubate and develop private label brands and products.

Additionally, AR/AI technology can bring creators to life, allowing consumers to get social trends from their favourite creators in-app, passing by a store, or even via digital kiosks with creator trend feeds to inspire shoppers.





## Social Commerce

Social commerce has come a long way since its inception and will continue to evolve as platforms and technology advance. The initial integration of commerce into social platforms aimed to provide a seamless shopping experience including an effortless checkout process.

The next evolution of social commerce is around discovery, interest and inspiration. In contrast to the previous year's event, there has been a considerable decrease in discussions related to live shopping. Instead, attention has shifted to optimising catalogue integration, harnessing the influence of content creators, and driving sales through retailers and marketplaces.



# Pinterest

During the keynote session with Pinterest's CEO, Bill Ready, it was emphasised that Pinterest serves as the best virtual window shop despite the absence of physical stores. However, the organisation is currently prioritising the opening of storefronts and facilitating direct purchases within the platform. Unlike other social platforms, consumers visit Pinterest with the intention to search and shop but haven't decided on what to buy yet.

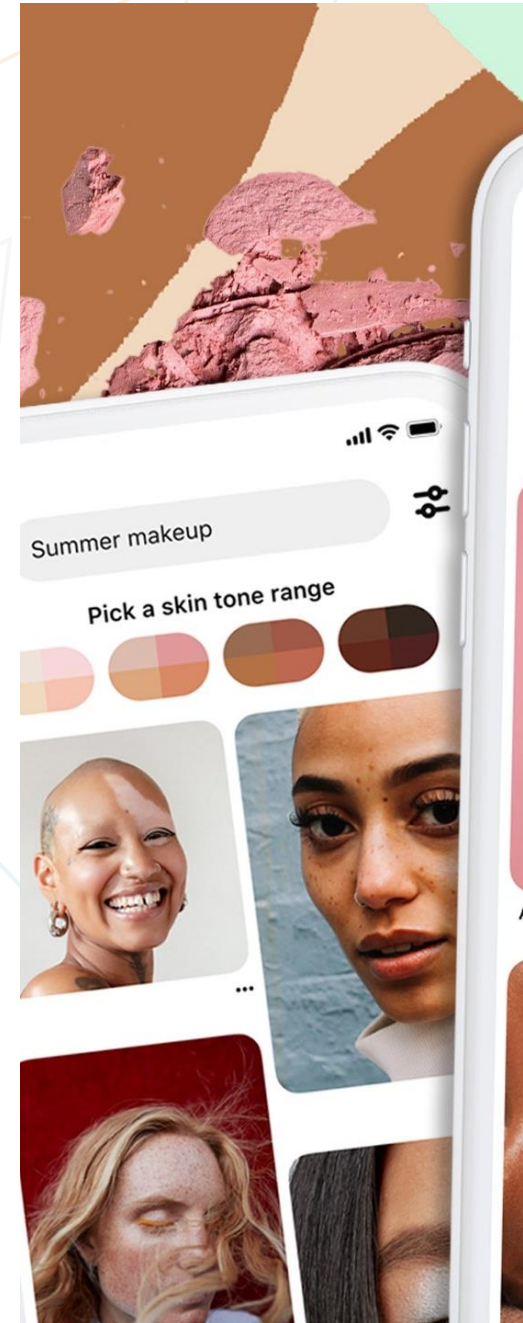
To enhance their shopping solutions, Pinterest is implementing the following key features:

Evolving features using AI, such as visual search, personalised recommendations and ad targeting based on user behaviours and interests.

Expanding the shoppable collages functionality from their Shuffles App (which caters to Gen-Z) into the Pinterest platform.

Integrating retailer catalogues and deep linking to retailer landing pages.

Encouraging brands to focus on short-form videos.



# Meta

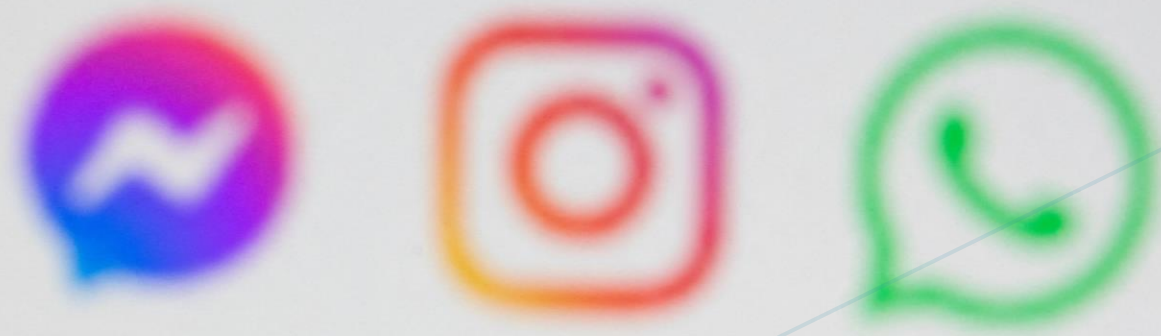
Meta is continuously developing their paid and organic offerings to assist brands in selling directly through their platforms. Brands can engage and influence consumers through several cost-free options. One of the most recent and underutilised options is Guides, which allow brands to curate and share organised collections of content, including posts, videos, and other media, on specific topics. Instagram Guides provide a new avenue for brands to share relevant content and for consumers to discover curated content based on their interests, streamlining the process of engagement.

In addition to the numerous opportunities available for DTC brands to sell directly through Meta's platforms, the company is also providing various paid media options to support brands that sell through retailers and marketplaces. These options include:

Utilising machine learning to optimise campaigns based on sales performance, rather than audience targeting, through Advantage+ Shopping Campaigns.

Measuring in-store sales and optimising campaigns in real-time with the Ansa Measurement solution.

Allowing brands to enable multiple checkout solutions in the ad unit, enabling consumers to choose their preferred retailer with One Click Multi-Retailer ad units.





## Authenticity

In today's consumer landscape, establishing trust is crucial for brands. Consumers demand genuine interactions across all channels, particularly with the growing #deinfluencing movement and focus on authenticity. To build trust, brands must communicate through authentic messaging, maintain a consistent presence, and leverage diverse messengers.

With Gen Z gaining market share and purchasing power, they are open to trying new products and services recommended to them. By utilising technology and partnerships, brands can engage with consumers at every step of their journey and foster genuine connections. This approach leads to long-lasting relationships based on mutual trust and respect.



## QSR

While ShopTalk has primarily attracted more pure play retail brands, there was a noticeable increase in participation from the QSR (Quick Service Restaurant) vertical at the event, with prominent brands like McDonald's, Wendy's and Panera taking the stage. As brands increasingly adopt data-led strategies and build more connected ecosystems, there are many parallels in their business priorities, particularly in relation to customer-led initiatives.

Although QSR brands have much to learn from their retail counterparts, they also have much to offer. Brands across verticals are moving away from traditional purchase funnels, recognising that consumer decision-making is often messy and non-linear. This concept is particularly familiar to QSR brands, as Caleb Pearson of McDonald's pointed out, "QSR is promiscuous".

Understanding what drives the most relevant experience for a customer at any given point in their journey and connecting messages and content across various touchpoints in paid and owned media are crucial for brands to drive growth, regardless of their category.



