

Agile Marketing and Empowered E-Commerce

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Abstract

There is an obvious impact of online shopping habits and user behavior trends on e-commerce performance. We are witnessing significant preoccupations with DTC CPG e-commerce strategy and empowered e-commerce, as well as regarding trade reinvention with the help of eB2B platforms. Marketing leaders are more and more concerned with the agile marketing and technological priorities delivering improved CX in 2022. And without doubt, poor speed and agility are among the most common challenges to Ecommerce success.

Keywords: DTC CPG E-Commerce Strategy; Empowered E-Commerce; Agile Marketing; Technological Priorities; CX

JEL Classification: D83; L81; L86; M15; M31; O32; O33

The impact of online shopping habits and user behavior trends on e-commerce performance

The UK behavioral marketing company SaleCycle Ltd is known for its focus on creating better customer journeys and increase customer loyalty for many brands, starting from tracking the online consumer journey on websites in different industries and offering deep ecommerce statistical data and trends on this basis. This essential information provided by SaleCycle (about companies' websites, products and consumers) enable businesses to obtain a 360 view on their customers' behavior (when they buy, when they show more intent, when websites' visitors leave the web page before completing the desired buying action, the way in which the level of websites' traffic regularly becomes higher or lower in a situation etc.), discovering new market insights, benchmarking the KPIs and solve the business issues (Ward, 2022). SaleCycle brought the attention, for instance, on the fact that the regional cart abandonment statistics can be affected by the online shopping habits and user behavior trends, considering the differences between geographical regions of the world (mature ecommerce markets like Europe and North

America, mobile-first markets, less mature ecommerce markets), the percentage of digital shopping carts abandoned by customers prior to completing the checkout process (cart abandonment rates being calculated by dividing a business's total number of completed purchases by its total number of created online shopping carts) varying depending on research time, booking journey, average order value (AOV) and other factors (Ward, 2021). Other findings from SaleCycle revealed that: the use of shopping apps and internet services determined an increasing traffic from mobile devices, consumers being constantly plugged into their mobile devices (without yet exceeding the level reached by conversion rates the online user levels); as shown by a report from Qubit mobile activity is influencing (the so-called halo effect of mobile) customers' purchases made on desktop; a significant top 30 online retailers from the UK, US and Europe can be seen in the below figure; in 2021, from the point of view of ecommerce online sales by device the situation was as shown in next figure below; there is a gap regarding shopping cart abandonment rates between mobile (83.76%) and desktop (75.65%), what means an opportunity within mobile ecommerce as compared to desktop online sessions (28,77%) mobile has significantly more (71.23% mobile traffic).

Rank	Retailer		
1		14	Hello Fresh
2		15	Marks & Spencer
3		16	Deichmann
4	Sports Direct	17	Schwarz Group (Kaufland/Lidl)
5	Apple	18	Aldi
6	TopShop (Arcadia Group)	19	Kingfisher/B&Q
7	Zooplus	20	The Gap
8	Sephora	21	Walgreens Boots Alliance
9	Walmart	22	Rewe Group
10	Zalando	23	Ahold Delhaize
11	John Lewis	24	Tesco
12	Next	25	Ceconomy
13	Costco	26	Best Buy
		27	TJX
		28	dm
		29	Home Depot
		30	Dixons Carphone

Figure no. 1: The top 30 online retailers from the UK, US and Europe, ranked by revenue, projected growth, physical presence, and online capabilities such as address verification, delivery and payment options

Source: Ward, B., 2021. 11 Of The Best Ecommerce Stats from 2020/2021, SaleCycle, April 19/July 8/2021 (work cited)



Figure no. 2: Ecommerce Online Sales by Device

Source: Ward, B., 2022. 11 Ecommerce Statistics & Market Size Trends 2021/22, SaleCycle, February 7/March 10/ 2022 (work cited)

Very recently, SaleCycle also explained the importance of cart abandonment retargeting (using display ads and networks, generally) and remarketing (email-based generally, but covering more than just abandoned cart emails), being no obvious distinctions between them (regarding shoppers' targeting who abandon purchases), and within the context in which brands are under pressure of reconnecting with people who haven't purchased yet (by not completing their purchase in the shopping session) based on gaining insights into customer's minds, and adequately using the different types of channels (Charlton, 2022). Retargeting and remarketing are seen within this framework as a process of re-engaging with interested visitors to brands' website, being an important part of their customers' buying journey, hence the opportunity of valorizing as conversion rate technique.

DTC CPG Ecommerce Strategy and Empowered Ecommerce. Trade reinvention with the help of eB2B platforms

As underlined last summer by Intelligent Commerce Platform Nogin in order to improve CX, CPG companies are under pressure to both adapt to the digital transformation (being crucial for CPG brands to adapt to digital channels), and invest in DTC models, being known that CPG companies need to better understand consumers and increase consumers' engagement by using DTC strategies (Dodd, 2021). And as DTC is seen as the new window shopping (ecommerce brands connecting with their customers through email marketing, paid media, SEO, social media, content marketing etc.), the qualified traffic capturement involving the creation of effective ecommerce marketing funnel, Nogin suggested a valuable 5-Step DTC CPG Ecommerce Strategy (see figure below).

5-Step DTC CPG Ecommerce Strategy



Figure no. 3: 5-Step DTC CPG Ecommerce Strategy

Source: Dodd, C., 2021. Digital Transformation in the CPG Industry: Why DTC is Essential For Your Brand to Stay Competitive, Nogin (work cited)

The realignment of CPG brands' strategy towards increasing digital channels was obvious over the past few years, and accelerated within the pandemic context, in selling their products online being three major routes: acquiring a DTC Brand, launching a DTC brand, and selling products through E-retailers According to LatentView Analytics, a leading global analytics and decision sciences provider:

- The above-mentioned framework for choosing the CPG eCommerce route is based on the four criteria shown in the first figure below, while the major CPG Brands excelling in eCommerce space by adopting aforementioned routes are shown in the next figure below (Sathapan a, 2021);
- The DTC Route taken by CPG brands (which need to keep up with the changes and excel in the DTC space) generate various challenges, such as: having an easily navigable website and app enhancing CX; maintain the balance in working with DTC channels (having a brand unique value proposition and creating diverse content to capture organic search traffic) and traditional retail partners; improving margins by planning media buying effectively etc. (Sathapan b, 2021).



Figure no. 4: Criteria for choosing the CPG eCommerce Route

Source: Sathapan, R., 2021. Framework for Choosing A CPG eCommerce Route, LatentView (work cited)



Figure no. 5: Major CPG Brands that excelled in eCommerce space by adopting aforementioned routes

Source: Sathapan, R., 2021. Framework for Choosing A CPG eCommerce Route, LatentView (work cited)

On Oct 25, 2021 the first operating system for real-time commerce, Tradeswell, released its ecommerce data report and white paper entitled The Future of Empowered Ecommerce, and

designed to help Direct-to-Consumer (DTC) and Consumer Packaged Goods (CPG) brands in strategically managing the growing complexity in the omnichannel world (MarTech Series, 2021). The online survey was conducted by Tradeswell in the summer of 2021 among 300 U.S.-based experienced professionals in CPG, DTC or retail industries having decision making authority (direct or shared) over both ecommerce platform adoption and business operations. (Tradeswell, 2021).

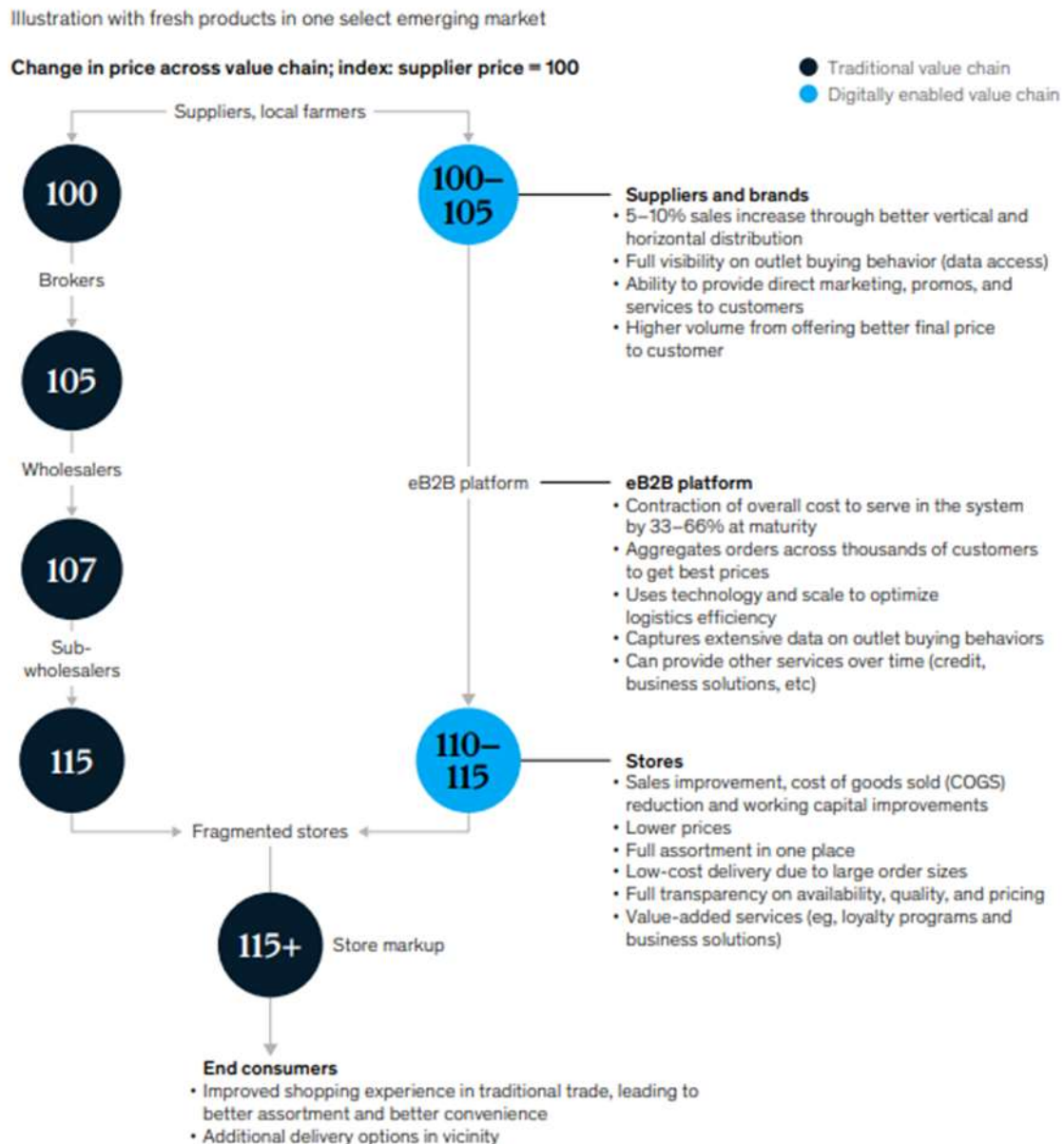


Figure no. 6: Incorporating eB2B platforms can reduce market inefficiencies and increase transparency in the value chain

Source: Athanassiou, E., Brailovsky, E., Elkins, M., Francois, M. and Zanin, M., 2022. Digital disruption: The rise of eB2B in fragmented retail. [pdf] McKinsey & Company, Consumer Packaged Goods and Retail Practices, p. 8 (work cited)

It is also worth underlining that at the beginning of 2022 McKinsey's representatives brought to our attention the impact of the rise of eB2B in fragmented retail (independent small grocers, restaurants, and bars) within the digital disruption, being well-known that little evolution in the past fifty years have been seen at the level of the fragmented-trade distribution models (Athanassiou et al., 2022). This market disruption with eB2B offerings was determined by four primary types of companies: Digital start-ups, Cash and carry (C&C) operators, Distributors and wholesalers, Consumer-goods companies. Within this framework, it was shown, among other aspects, how both to reduce market inefficiencies, and to increase transparency in the value chain can be obtained by incorporating eB2B platforms (see figure above).

The Agile Marketing and Technological priorities delivering improved CX in 2022

According to Perkin (2022), digital changed marketers' way of identifying, anticipating and satisfying their customer needs, business models, customer behavior and routes to market being revolutionized by the digital technologies, hence organizations' digital transformation on the path to become more both agile, and responsive to changing contexts like COVID-19 pandemic. Perkin made reference, among various aspects, to:

- The role of agile marketing teams enabled by a combination (as shown in figure below) of systems (technology and systems empowering efficiently working, communicating and execution, as well as fast testing and learning) and empathy (which is enabling teams' collaboration and working together by being both customer-obsessed, and delivering exceptional CX).
- The agile marketing as a learning mindset enabling the process where customer is placed right at the center of both value creation, and the way that teams operate.

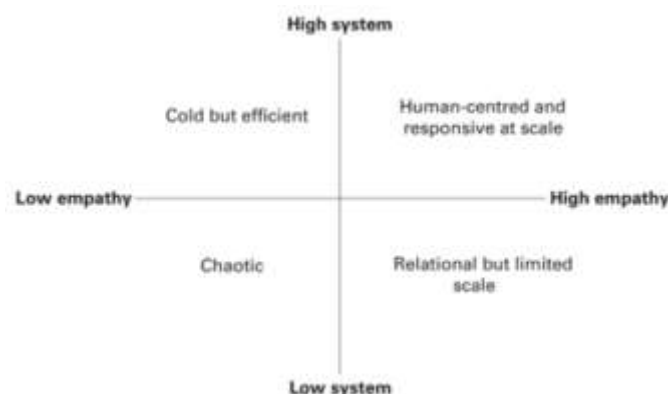


Figure no. 7: Systems and empathy in agile marketing

Source: Perkin, N., 2022. *Agile Marketing: Unlock Adaptive and Data-driven Marketing for Long-term Success*, Kogan Page Ltd., p. 13 (work cited)

It is worth remembering that according to Ewel (2020), there is a confirmed framework for applying agile principles and processes to marketing, this framework being provided the so-called six disciplines of agile marketing (as shown in figure below), to achieve marketing organizations' agile transformation being necessary to consider four shifts ((from a focus on outputs to one based on outcomes; from a campaign mentality to one based on continuous improvement ; from an internal focus to a customer focus; from top-down decisions to decentralized decisions) in beliefs and behaviors.

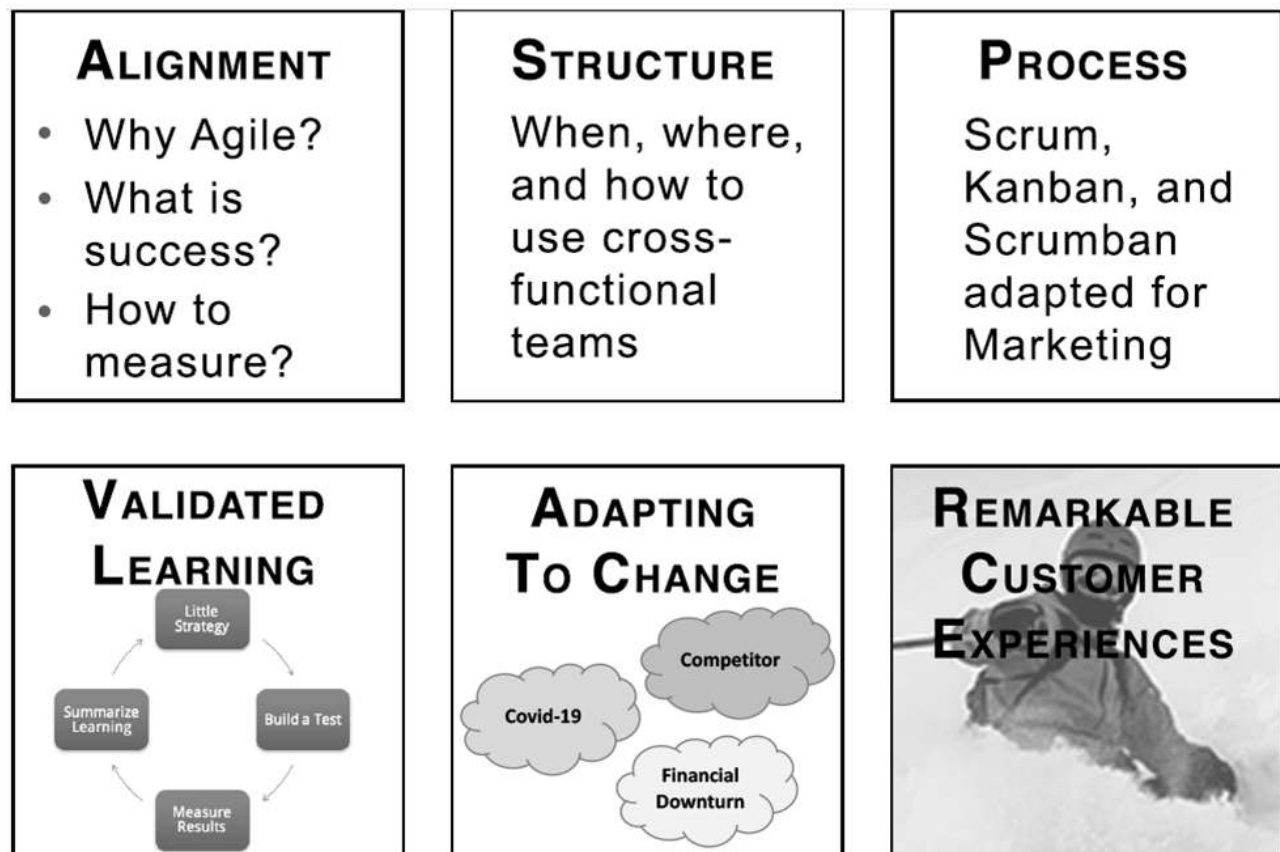


Figure no. 8: The six disciplines of agile marketing

Source: Ewel, J., 2020. *The Six Disciplines of Agile Marketing: Proven Practices for More Effective Marketing and Better Business Results*, Wiley, 1st edition, Oct. 13, 2020 (work cited)

On the other hand, Adobe's 2022 Digital Trends report (produced in collaboration with Econsultancy; there were surveyed almost 10,000 marketers, consultants and practitioners) placed CX in the middle of the necessary digital strategies and to be driven sustained growth in 2022, reorienting operations completely around their organizations' customers based on a more holistic view of their behaviors, preferences and needs (Adobe, 2022). This can be made by better organizing data translation (a single source of data truth, and thinking data action before collection) into insights, acting agilely on those insights, and not only prioritizing personalization and innovation, but also embracing experimentation. In other words, building a better understanding of the organizations' evolving customers (from the point of view of their

constantly shifting needs, preferences, motivations, behaviors, and expectations), what also presupposes as senior executives (see in the below figure their key technological priorities according to Adobe's report) both reorganize, and rebuild their organizations' processes (digital architecture, advanced analytics, as well as centralized content and digital asset management etc. being provided by technology) and culture (which is championing both data-driven decision-making, and agile marketing operations supported by agile workflow software solutions).

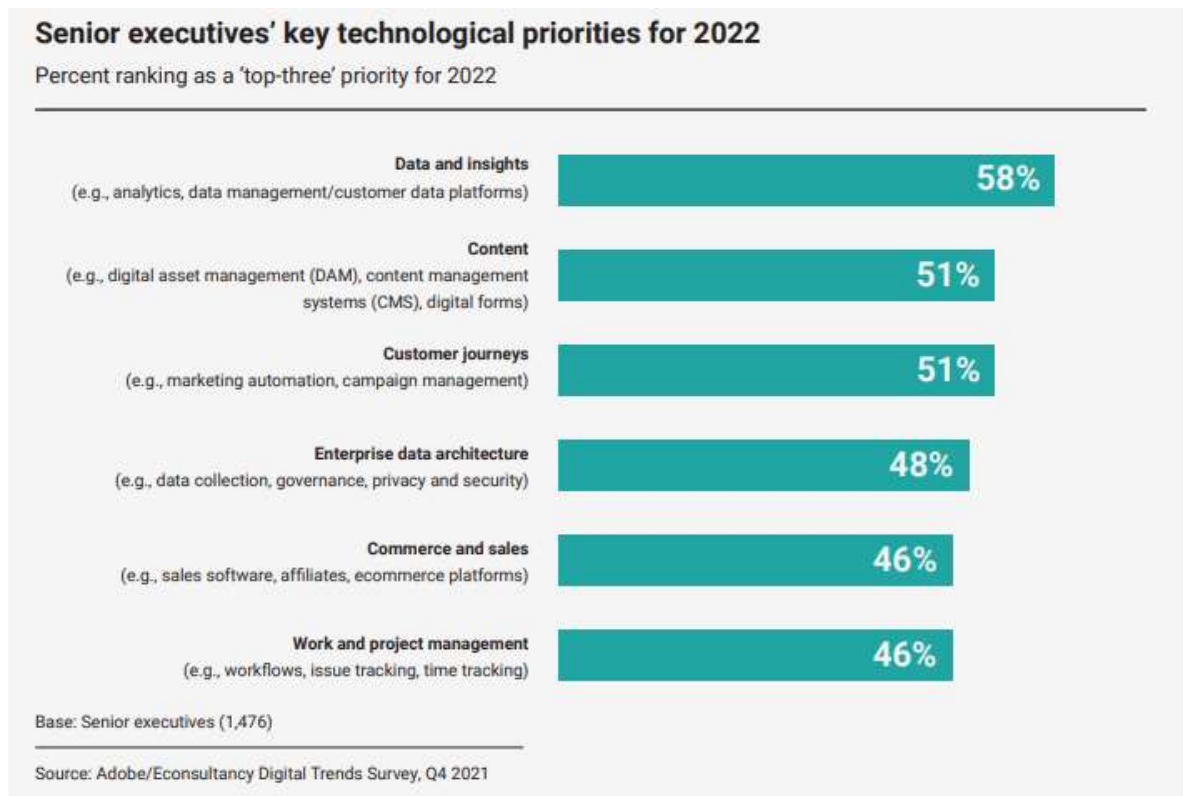


Figure no. 9: Senior executives' key technological priorities for 2022

Source: Adobe, 2022. 2022 Digital Trends. Experience Index. [pdf] Annual Adobe survey produced in collaboration with Econsultancy, p. 23 (work cited)

Instead of conclusions: *Poor speed and Agility, among the most common challenges to e-commerce success*

Featured insights from Boston Consulting Group (BCG) revealed that agility is one of the most common challenges to e-commerce success (as shown in the below figure), building, maintaining, and expanding an e-commerce operation being considered truly complex by business leaders engaged in the digital transformation for which perfecting technology is not enough (Baxter et al., 2021).

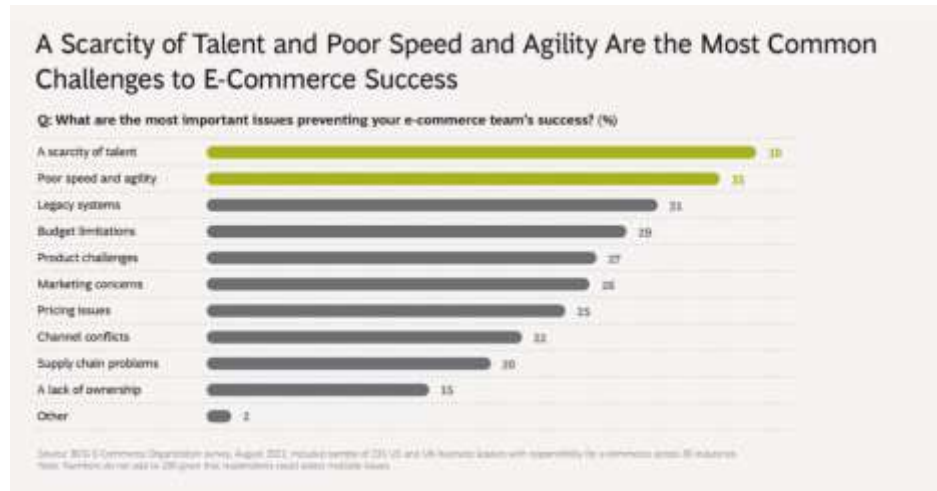


Figure no. 9: Senior executives' key technological priorities for 2022

Source: Baxter, A., Paizanis, G., Robnett, S. and Yang, H., 2021. Building a World-Class E-Commerce Organization, BCG, December 13, 2021 (work cited)

And in facing complexity having many sources (such as: the conflicting agendas of the channel partners, the multidisciplinary expertise level and collaboration across functions needed, the pressure of quickly scaling and evolving to keep up with both rapid e-commerce growth, and changing customer needs etc.) it is recommended (BCG, 2021) to clearly define business objectives, building then an e-commerce organization accordingly, working together to use the proper tools (including the digital technologies), and choosing one of the below described archetypes as a guide:

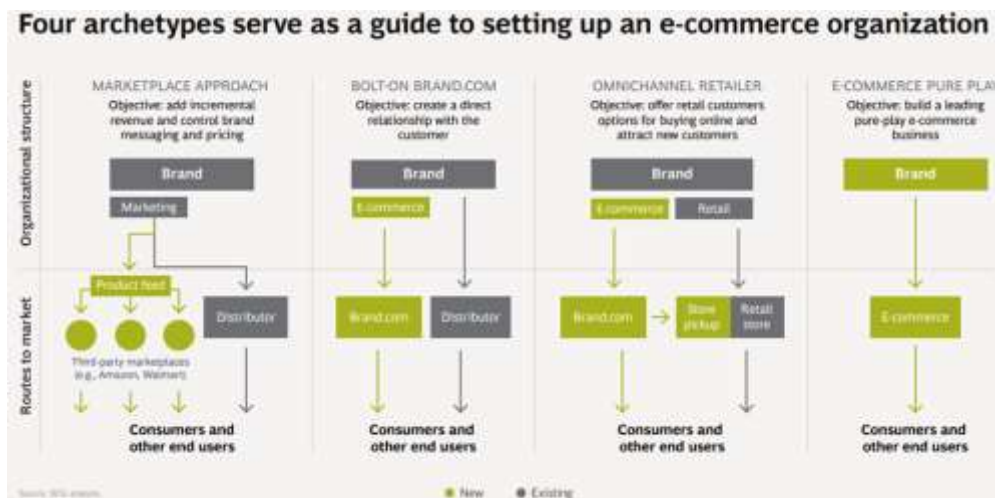


Figure no. 10: Four archetypes serve as a guide to setting up an e-commerce organization

Source: BCG, 2021. Four E-Commerce Archetypes [pdf] Digital Transformation, Leading in the New Reality (work cited)

It is also worth mentioning, within this context, that according to CB Insights (2021), from the point of view of the smaller e-commerce players looking to capture some of the e-

commerce giant Amazon's market share there are some significant key trends, such as: community connection wanted by consumers, how critical is sustainability for eco-focused customers, how prioritized is assortment relevance over mass variety, and how more app-based retailers are becoming friendly with the needs of a mobile-first generation.

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