MOBILE COMMERCE

THE PLAYBOOK

INTRODUCTION BY MMA

There's no doubt that Covid-19 accelerated the journey towards ecommerce. With online shopping often the only avenue available for those who were under lockdown, the percentage of internet sales in the UK grew from 20% in January 2020 to 33% in May 2020. To put this five-month growth period in perspective, it took ten years to increase online sales by the same amount before then.

Locally, companies who have previously pondered or delayed the implementation of an ecommerce platform are now scrambling to get this done. And it's easy to see why - the Coronavirus pandemic has changed consumer behaviour, most probably for ever.

It's with this in mind that the Mobile Marketing Association of South Africa is presenting our Ecommerce Playbook. Ecommerce itself has evolved significantly from the heady days before the 2000 dot-com crash. Currently, it's social media that is not only driving traffic towards online shops, but also helping consumers to form opinions, interact directly with brands and review products. And yes, some social media sites are now also ecommerce ready themselves.

This Ecommerce Playbook explores elements such as Discover Commerce, where it's not about people finding the right products, but rather products finding the right people. Discover

Sarah Utermark
MMA South Africa

Commerce combines rich data, powerful advertising tools and a seamless shopping experience to meet customers where they are already present online - on social media. We explore each step of the way, pointing towards potential hurdles such as the secure handling of private data to keep the ecommerce journey on track.

Our Ecommerce Playbook owes a debt of gratitude to our industry contributors from Facebook, the Estée Lauder Companies and Game. They shared valuable insight about their own ecommerce journey and provided local knowledge pertaining to how they find and convert their customers.

Finally, a word of thanks to the sponsor of the Ecommerce Playbook, Facebook, without whose help this document would not have been able to have appeared at such an auspicious time.

We truly hope you find the Ecommerce Playbook insightful as well as an important stepping-stone on your own path to ecommerce success.

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THE EVOLUTION OF MOBILE ECOMMERCE

THE TRANSFORMATION OF ONLINE BUSINESSES

In the late 70s, inventor Michael Aldrich decided to use a telephone line to connect a modified television to a transaction-processing computer. What he did not know then was that his invention sparked the birth of ecommerce, a shopping experience which would radically redefine how retailing would be done in the 21st Century.
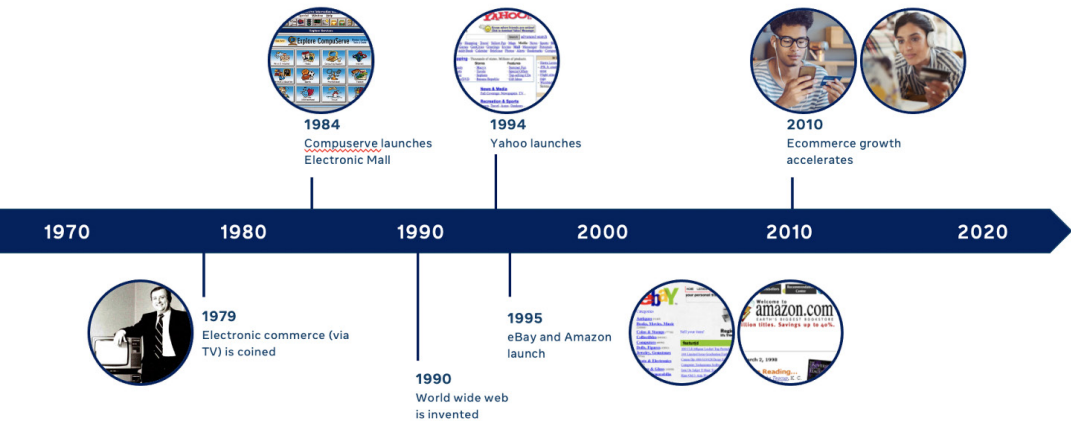
Right out of the gate, ecommerce was seen as experimental and was dwarfed in comparison to offline sales.

Early ecommerce experiences tried to replicate the personalisation, discovery and seamless nature of the in-store shopping experience online, with some more successful than others.

Right out of the gate, ecommerce was seen as experimental and was dwarfed in comparison to offline sales. Businesses simply weren't set up to do this kind of fulfilment and financial tooling was limited. But the infrastructure began to form, including the rise of search as the killer app for the web, and in 1995 transformation accelerated with the launch of eBay and Amazon.

Search has dominated the playbook for the last 30+ years. It's functional. It's utilitarian. It's price driven. It's measured by transactions. And the convenience is moving more people to buy online.

The Trasformation of Online Business

1984
Compuserve launches Electronic Mall

1994
Yahoo launches

2010
Ecommerce growth accelerates

| 1970 | 1980 | 1990 | 2000 | 2010 | 2020 |

1979
Electronic commerce (via TV) is coined

1995
eBay and Amazon launch

**1990**
World wide web is invented

Source: Ecommerce 101 + The History of Online Shopping: What The Past Says About Tomorrow's Retail Challenges, Big Commerce

SEARCH MORE

By contrast, the ways people shop and discover new products today have never felt more exciting, personal and curated. Take, for example, when it's finally time to trade in your old car and the model you've been searching for appears in your Facebook feed. Or after a long day working from home, you're craving pizza and you receive a message reminding you to use that Uber Eats coupon before it expires. Or maybe you're browsing Instagram Stories, feeling jealous of your friend's new home renovations and you're served an ad from your favourite furniture brand.

The options feel endless, yet often just perfectly designed for you. We expect things to be tailored to our tastes and in the formats we prefer. People are in control and expect more relevant and personal experiences. This connected world has given people infinite choice and total control over what they watch, read, interact with and buy.
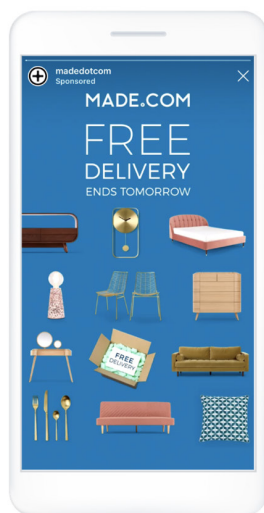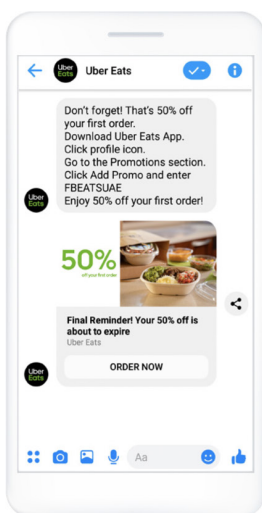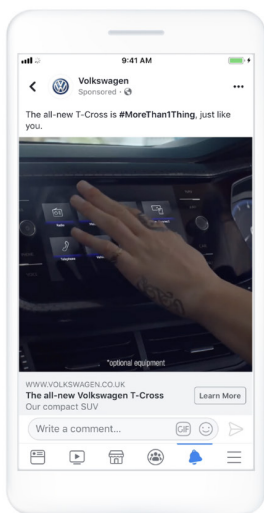
And that's why it's never been more important to know your customer and anticipate their needs. We're seeing the following shifts in consumer expectations:

DISCOVERY

How people discover products has changed. Rather than going to a physical store, people and brands are sharing and discovering products all day, every day, on social platforms. So now, it's a brand sharing an item that fulfils a need you have, or a friend messaging you a product they think you'll love. In fact, 52% of online brand discovery happens in public social feeds[1].

IMMEDIACY

People's expectations around convenience have changed - they expect immediacy. In many ways, it's never been easier to buy something. Anything can be purchased, anytime, with a click of the button, plus it can arrive at your door sometimes within hours. And because people have come to expect a quick and easy experience, they will leave if they don't get it. The average cart abandonment rate in 2019 in Europe was over 85%, rising to over 90% in the Middle East and over 94% in Africa[2].

PERSONALISATION

The mass adoption of services like Netflix and Spotify has created a new expectation for one-to-one personalisation. Netflix's personalisation engine is so good that almost 80% of the shows and movies viewed on the platform are based on their recommendation[3]. And it's not just Netflix-lovers that appreciate the personalised touch, in fact 91% of consumers say they are more likely to shop with brands that provide offers and recommendations that are relevant to them[4].

SAFETY AND SECURITY

When people shop online, they want to know that their payment information will be kept safe. Globally, 65% of online shoppers express extreme concern about data privacy, and half of people say they would pay more for products with assurances of quality and safety[5].

Looking ahead, the global ecommerce market is expected to have grown from

$1.75
trillion in 2019

to

$2.3
trillion in 2020

Recently, consumer expectations have accelerated exponentially. As a result of Covid-19, it's been shown that years of digital growth happened in a few short months. In the UK, the National Statistics Report published in June showed that, while it took 10 years to increase internet sales by 13%, from 7 to 20% in total; this year, the same has been achieved in just 5 short months[6]!

The change itself was not unexpected, but it's the drastic pace of change that no one could have anticipated.

Looking ahead, the global ecommerce market is expected to have grown from $1.75 trillion in 2019 to $2.3 trillion in 2020[6].

If history is any indication, these new-norm behaviours that are taking hold may stick.
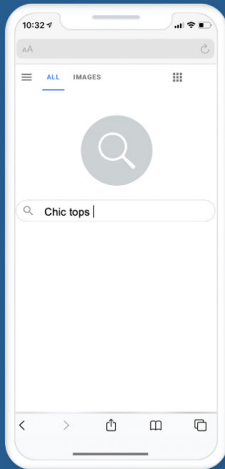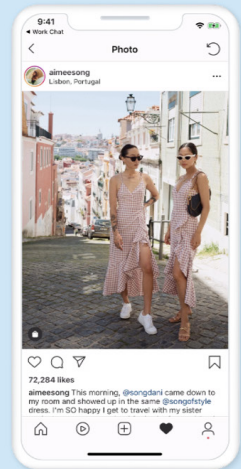
MOBILE COMMERCE IS NOW "DISCOVERY" COMMERCE

DISCOVERY COMMERCE IS THE NEW APPROACH

In today's landscape, a forward-leaning business can no longer wait for people to actively shop and search for them.

People find products

Products find people

Discovery Commerce is the new approach to marketing in the digital era, based on people and their passions/ interests. If ecommerce is about connecting the right person to the right product, Discovery Commerce is about connecting the right product to the right person. Ecommerce is where people find products, while Discovery Commerce is about products finding people.

It's about driving discovery, demand and delight, while respecting people's right to privacy. It's about collapsing the journey between discovery and action. Today more than ever, businesses need efficient strategies to meet people where they are, and the closed-loop measurement to know that their strategies are working.

Direct-to-consumer brands – and others that have made digital their top priority – are in a strong position to future proof their business. Brands that haven't will need to prioritise shifting to digital. And it won't just be about fulfilling demand, it will be about creating it. Businesses will need to meet their customers where they are, and right now they're on social and on mobile. They will also need to personalise their online experience - from discovery to purchase to post-purchase.

Facebook enterprise solution for demand generation

FACEBOOK DISCOVERY COMMERCE

RICH DATA

Understand what's important to people and how they interact with your business

SOPHISTICATED ADVERTISING TOOLS

Put data to work, helping your product find the right people

ENGAGING SHOPPING EXPERIENCES

Make it faster and easier for people to buy

SECURE DATA HANDLING

Protect people's privacy and respectfully use data to drive personalised marketing

Facebook has recognised this trend, and recommend the following Discovery Commerce system:

IT BEGINS WITH RICH DATA

Understand how people are interacting with your business.

SOPHISTICATED ADVERTISING TOOLS

Put data to work, helping your product find the right people.

ENGAGING SHOPPING SURFACES

Make it faster and easier for people to buy.

SECURE DATA HANDLING

Protects people's privacy and respectfully uses data to drive personalised marketing.

Customer centric-experiences across Facebook apps

Facebook understands people, beyond demographics

Business understand their customers best

CUSTOM AUDIENCE

The data from these interactions optimises the system

People can take action immediately and easily purchase on your website

Machine learning technology delivers relevant experiences

Here's how the Discovery Commerce system works:

1 Nobody knows your customers better than you. And so, when you share the things you know about them, the system can find more people like them - more of the people who are most likely to want to hear from you.

2 Then, with some help from machine learning, platforms like Facebook can show you which of your creative assets are likely to be most relevant to the people in those audiences.

3 Following that, with your own digital storefront, people can be easily moved from discovery to purchase. They're already engaging with your product in a place where they love spending time, so there's minimal friction.

4 And, as more and more insights are gathered, the system becomes better at creating demand and helping you grow your business. The information collected from these people's actions can help you reach even more new customers.

DISCOVERY COMMERCE

Let's take a deeper look at the Discovery Commerce system

"Businesses are realising that with today's technology, they don't need to waste time waiting for people to find their products. Let your products find your customers for you. That's true discovery."

NICOLA MENDELSOHN
VP EMEA, FACEBOOK

THE DISCOVERY COMMERCE SYSTEM

RICH DATA

TURN ON INSIGHTS BEYOND DEMOGRAPHICS

Dig deeper than demographics to understand what's important to people and how they interact with your business. When you know what motivates customers, you can meet their needs, and even anticipate them.

It's time to turn your customer interactions into data-driven marketing campaigns that help you accomplish your goals and grow your business.

We interact with businesses in more ways than ever, by tapping, swiping, shopping and streaming. Imagine trying to find the perfect pair of shoes - from browsing online to visiting a brand's app, to going into a shop and finally purchasing on the brand's website, the journey to that perfect pair requires many interactions.

All of these interactions create signals, and signals paint a picture of each person and what they care about. To make the most of signals, you need the right tracking pixels and SDKs in place. Data you share via the pixel can be leveraged to help the customer experience better ads by showing people ads they actually care about. In turn, this helps to drive better results for advertisers.

This is known as data-driven marketing. But a data-driven marketing approach doesn't happen overnight. You'll need to understand the signals that matter to your business and create a strategy that includes tracking these signals.

For example, a luxury coffee company who sells beans online knows that monthly subscribers are more valuable than once-off buyers. For them, implementing signals to understand the differences between the two is key to growing their subscriber base.

When you invest in a signal strategy, you can drive more of the interactions you want your customers to make on your website and enable powerful targeting capabilities, thereby giving you better insight into how your customers interact with your site.

Of course, you also need to take privacy seriously. Facebook, for example, never shares information or Custom Audiences from your website with others, and your data is aggregated with billions of other signals before it's ever used.

It's time to turn your customer interactions into data-driven marketing campaigns that help you accomplish your goals and grow your business.

IMPLEMENT

Install the Facebook pixel, set up standard events and build a product catalogue.

TARGET

Use signals from your pixel to find relevant audiences and create a value-based targeting strategy.

OPTIMISE

Attribute more conversions and increase audience sizes with automatic advanced matching. Learn how to create dynamic ads.

ACCELERATE

Improve your signal strength through manual advanced matching and find prospective customers with dynamic ads for broad audiences.

SIDEBAR

A NOTE ON PRIVACY

Secure data handling is core to the Discovery Commerce System. When people share and connect with brands, they should create the best possible experiences when they do. An important part of this is protecting the privacy of people and businesses and being transparent about how data is used.

Protecting people's privacy and respectfully using data is core to driving personalised marketing. This requires a comprehensive approach to data security, building products and campaigns from the ground up with privacy in mind, having strict policies in place and giving users complete transparency on how their data may be used, as well as clear control of how to control or opt out.

SOPHISTICATED ADVERTISING TOOLS

TURN ON SERENDIPITOUS SCROLLING

Take the guesswork out of targeting and show people ads they care about. By combining Facebook audience data with your business insights, you can delight your customers and discover new ones.

Once you have your signals in place, the next step is to pair them with sophisticated advertising tools to deliver the right message to the right person. There are many marketing automation tools that you can use, and increasingly they rely on machine learning to make sure the right ad is delivered to the person that is most likely to respond to it.

For many media strategists and buyers, machine learning remains a bit of a mystery. Sure, the ability to apply sophisticated computer systems and artificial intelligence to problems sounds exciting, but can it actually help with optimising strategies based on complex human behaviours and dealing with day-to-day advertising challenges?

Simply put: Yes, it absolutely can. Facebook, for example, has been building its own machine-learning based tools to make customer discovery more efficient, measurement more accurate and personalisation more targeted. In doing so, they've seen that the technology has a number of powerful capabilities that significantly boost campaign performance as well as team productivity. Moreover, these benefits can be realised right now, not some day in the far-off future.

Specifically, machine learning can already make life better for media strategists and buyers in these four key ways:

1

IMPROVE ADVERTISING EFFECTIVENESS BY INCREASING LIQUIDITY

Machine learning is especially valuable for media buying because it boosts liquidity - a state in which every dollar flows to the most valuable impression. Through the use of serial algorithms and predictive analytics, machine learning can quickly find the optimal audience for each ad. Paired with automated systems, the right creative can then be served to the right person at the right time and at the right price. This can make media buying both faster and better. Machine learning and automated systems rapidly process massively complex data sets and adjust in real-time.

SIMPLIFY CAMPAIGN SETUP AND OPTIMISATION

Another benefit of machine learning is that it streamlines campaign management. Specifically, media buyers and strategists surveyed who use machine learning-enabled tools say these systems reduce the amount of manual effort needed to tackle tasks such as campaign optimisation/bid strategy, budget management and campaign setup.

This simplification is largely due to the fact that machine learning and automated systems tend to work best when given leeway, since broader campaign goals and parameters increase the available options. In other words, reducing the number of ad sets and campaign restrictions enables more automated optimisations.

GAIN MORE (VERY VALUABLE) TIME

Simplified campaign management delivers something of immense value to media buyers and strategists - more time. Of those surveyed, some 77% of media buyers and strategists who use machine learning-enabled tools say these systems save them significant amounts of time spent on manual and tedious tasks, with most saying they gain back between one and four hours per week, on average[1].

Again, these benefits are driven by the autonomous and self-learning capabilities of the machine learning tools. The systems are able to process ever-changing data points quickly and efficiently on their own, enabling team members to save the time previously spent on manually defining and honing campaigns.

BE MORE STRATEGIC AND CREATIVE

Why is gaining time so important? Because it allows for all that brainpower to be applied to other things. Strategists and buyers surveyed say they put the time they gain from machine learning tools toward a mix of tasks, including developing client strategies, planning and testing new campaigns, analysing the performance of existing campaigns and making creative optimisations[1].

Ultimately, that's what makes machine learning even more valuable. Not only does it improve campaign performance, but it also enables media strategists and buyers to be more focused, strategic and creative[1].

SEAMLESS SHOPPING EXPERIENCES

TURN ON THE JOY OF SHOPPING

Make browsing easy and buying instant with tools like Facebook Shops, a free digital storefront across Facebook and Instagram that meets your customers where they are. Give people the power to discover, shop and buy your products seamlessly.

> **The good news is that these days there are many ways of creating a quick, mobile friendly storefront where your customers already are.**

So now you have your signals and a full picture of the people you would like to speak to. You have some powerful tools and machine learning to match your message and creative to those people based on their interest. The next step is to make sure that once they show intention, you make it as easy as possible for them to move to your digital storefront and interact with you.

Ideally, you do not want to send your customer to a new platform to complete their sale. If you do, the process should be seamless. As noted earlier, millions of sales are lost each year because of broken links, non-mobile friendly sites, long and tricky forms to fill in or the inability to pay for what you want right now, on the phone.

The good news is that these days there are many ways of creating a quick, mobile friendly storefront where your customers already are.

For example, Facebook recently launched Shops, which allows you to design your shopfront on the platform, customise your catalogue with the products you wish to showcase and use eye-catching imagery and design elements that build your brand identity. This all takes just a few minutes.

Today, customers can message a business through WhatsApp, Messenger or Instagram Direct to ask questions, get support, track deliveries and more through Shops. And in the future, customers will be able to view a business' shop and make purchases right within a chat in WhatsApp, Messenger or Instagram Direct.

There are other ways to make your existing social media content shoppable too. For example, Instagram allows your new customers to discover your products where they're already spending their time; whether they're browsing for inspiration or already have an idea of what product they're looking for.

It's possible to make your content shoppable and actionable with shopping tags on Instagram. Businesses can use Shopping Tags to highlight products from their catalogue in Stories, in-feed, or in-copy, so people can learn more and easily take action. You can now also make your content shoppable and actionable with shopping tags on Facebook.

Product tags on Instagram drive discovery across experiences

Another rising trend is Live Shopping, where sellers, brands or creators go Live on Facebook and Instagram to demonstrate and sell their products in real-time. They can take payments over chat or EFT, but eventually this process too will become more seamless as Facebook looks to build features that will allow you to tag products from your shop or catalogue before going live, and those products will be shown at the bottom of the video. People can then easily tap to learn more and purchase while continuing to watch the live stream.

Ad units themselves are becoming more interactive too, with many allowing you to capture customer details or send someone directly to WhatsApp (for more on this see our interview with Michele Ngueyep later in this playbook).

A last trend not to be ignored is Conversational Commerce.

As consumer expectations evolve with advancements in mobile technology, people want businesses to meet them on their own terms, be where they are and respond fast and in their language. With people increasingly embracing conversation (via WhatsApp) and commerce (via mobile shopping), conversational commerce is igniting a global movement that is only set to grow. Conversational Commerce – or c-commerce – is when people and businesses connect through chat or voice assistants with the intent to drive the purchase of goods or services. This

As consumer expectations evolve with advancements in mobile technology, people want businesses to meet them on their own terms.

During Covid-19 Shoprite Checkers gave customers the option to browse their flyers in WhatsApp

behaviour has rapidly become mainstream across the globe and presents brands with powerful chances to engage shoppers in fresh ways.

For example, your customers are likely already on WhatsApp, why not meet them there? During Covid-19 Shoprite Checkers gave customers the option to browse their flyers in WhatsApp, while KFC even allowed their customers to order their favourite meal via WhatsApp.
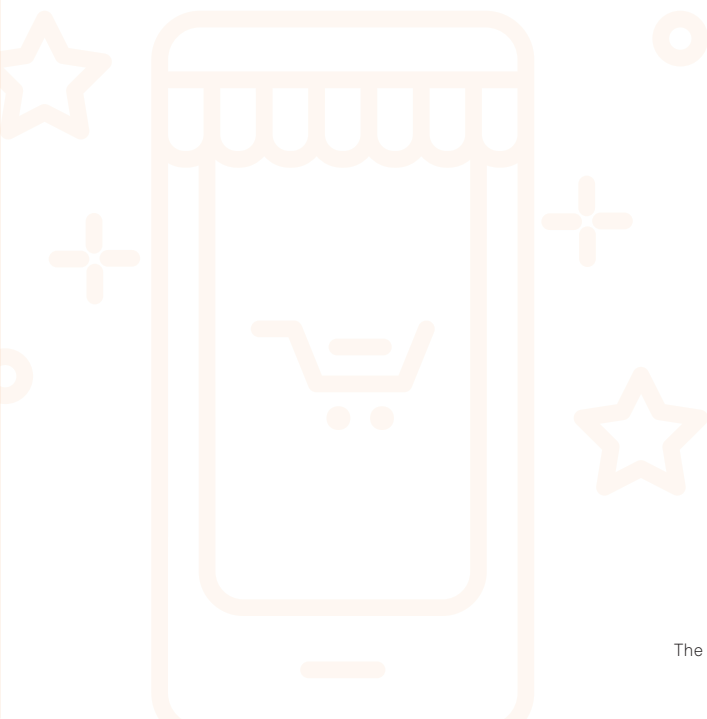
IN SUMMARY: TOP TIPS FOR BRANDS

TIPS FOR BRANDS

To summarise, here are the key adjustments marketers should make to their existing practices to embrace Discovery Commerce.

1

DRIVE DISCOVERY ALONGSIDE EXISTING CONVERSION ACTIVITY THROUGH DATA SIGNALS

In addition to identifying those displaying existing intent, marketers must broaden out the role of digital in response to the digitalisation of the entire customer journey. Utilise data signals to find new customers and create better, more relevant and more informed shopping experiences for them at every touchpoint.

2

TEST NEW WAYS TO GENERATE AND MEET DEMAND ONLINE ACROSS THE CUSTOMER JOURNEY

Discovery Commerce is a full funnel activity and there are exciting creative opportunities for brands across the customer journey. Marketers must embrace a test-and-learn approach across each stage of the funnel - from finding innovative ways for customers to discover products, to creating a frictionless purchasing experience.

3

EXPLORE WAYS OF REIMAGINING THE PHYSICAL RETAIL ENVIRONMENT ONLINE

Whether it's using AR filters to enable people to try on make-up, seeing an item of furniture displayed in a home, or exploring a car's specifications, brands need to reimagine some of the critical roles the in-store experience plays within digital. These more immersive experiences can drive online purchase in a way that's clearly linked to the brand.

4

EXPAND YOUR VIRTUAL STOREFRONT

Facebook Shops makes it easy to set up a single online store for customers to access on Facebook and Instagram. Businesses can then choose which of their items they want to feature, merchandise those items with product collections, and they can also tell their brand story with customisable fonts and colours. Facebook is investing in adding more features across its apps to help people discover and shop for things they love.

AN INDUSTRY PERSPECTIVE

INTERVIEW

Michele Ngueyep

**Product Marketing Manager,
Facebook Africa**

Tell us how Facebook is thinking about mobile commerce.

Today, in this critical time, Facebook is accelerating its work to enable every business to sell online by doubling down on commerce. Through these investments, we are weaving shopping into the fabric of each of our apps to help people gather inspiration, discover and buy the products they love. Our vision is to create one unified shopping experience across all Facebook apps.

For shoppers, each shopping experience will be slightly different and will utilise what's best about the app they're using. For example, in the Facebook App, shoppers will be able to see reactions and shares from their friends and community to know what they like. On Instagram, shoppers can express themselves by getting the latest releases and exclusive drops first from the brands they are most interested in. The product is in the early stages, but as we build more features, each app will add unique value. So, it's worth considering how to build your brand and sell your products.

You recently launched Facebook Shops, tell us more about that?

Facebook Shops is the biggest step we've taken yet to enable commerce across Facebook's apps. Shops make it easier for businesses to set up their digital storefront and sell things online. It provides one shopping experience across Facebook apps. Any changes you make to a shared collection in your shop go live across all apps.

What else is in the product pipeline?

Facebook can now help businesses drive discovery of products through shoppable content. We're making it easier for new customers to discover your products where they're already spending their time, whether they're browsing for inspiration or have an idea of what product they're looking for.

It's possible to make your content shoppable and actionable with shopping tags on Instagram, and now also on Facebook. Businesses can use Shopping Tags to highlight products from their catalogue in Stories, in-feed, or in-copy, so people can learn more and easily take action.

We are also starting to explore product tags within Live Shopping, shopping from creators, and product drops in the US, while it's also early days for Instagram Live Shopping, which makes it easier for people to shop for products in real time. You also now have more power to amplify discovery and consideration with our commerce ad solutions.

Facebook is currently building ads and other new discovery points to help drive traffic directly to a customer's shop, so stay tuned for more info about when it will be available. Today, you can boost shoppable content with Instagram Shopping ads that leverage people's existing behaviour by allowing them to "tap the tag" for more information about your featured product and how to purchase.

We also recently launched Shopping Custom Audiences which allows businesses to continue to engage with customers who interacted with their products in a shopping experience on Instagram and Facebook. Businesses will now be able to create shopping Custom Audiences based on people that took a shopping-related action (e.g. viewed a product detail page) on our commerce products, such as Facebook Shops (on IG and FB), Instagram Shopping and Facebook Page Shops. If the business is checkout enabled, the business can also create Custom Audiences based on people who added a product to their cart and people who purchased a product.

Shopping on Instagram is clearly growing, tell us more.

We recently launched Instagram Shop, a new way to discover and buy products you love in Instagram Explore. Globally, Instagram Shop features personalised recommendations to people based on the accounts they already follow and businesses using Instagram Shopping. We also have the @shop page, an account created by our Instagram team that celebrates emerging businesses and the creators behind them.

Any Instagram merchant who has created a Shop has potential for distribution here. In the future, consumers will be able to access Instagram Shop through the designated Shop Tab, where they are already in a consideration mindset. This is in very early testing as of 7/7 and will be fully rolled out by November.

And be sure to check out @Shop, a shoppable real-time reflection of our community's interests across top shopping categories like fashion, beauty, home decor and more.

We're also making it possible to drive consideration with seamless messaging integration. Coming soon, customers that are browsing Facebook Shops will be able to message a business through WhatsApp, Messenger or Instagram Direct to ask questions, get support, track deliveries and more. In the future, customers will be able to view a business' shop and make purchases right within a chat in WhatsApp, Messenger or Instagram Direct.

Messaging through Shops will combine the best parts of shopping in-store with the convenience of shopping online. Today, businesses and people can share rich shop links in a conversation thread when discussing a particular product, helping to drive awareness and consideration.

What about conversational commerce?

87% of the global internet population are using mobile messaging apps, and we expect this number to increase as communication becomes easier, faster and more frequent. And this isn't just texting between friends and family, either - it's messages sent to businesses too. In fact, 64% of people surveyed said they would choose messaging over picking up the phone or sending an email.

Because people want to have conversations with businesses, there is an opportunity to turn the demand for attention into meaningful connections with customers through messaging. This can create conversational experiences that can address customer needs, create loyalty and drive commerce.

Clearly keeping user data secure is key through all of this, how is Facebook ensuring that?

We've continuously stepped up our standards on privacy to give people more control over the ways they share and connect on Facebook. In addition to outlining our vision for a privacy-focused future, we're adding more rigour and accountability to the ways we protect people's data. Our latest privacy framework involves building privacy into every product, adhering to stricter compliance measures and supporting independent oversight to make sure we're living up to our commitments.

We've also strengthened our policies around developer data access. We've called for all apps to undergo review and added more steps to our API release process, to make sure that developers are not misusing the data they have access to. And we're providing more transparency around data for people and businesses.

Moreover, Facebook created Privacy Shortcuts, Privacy Basics and "Why am I seeing this ad?", and are rolling out Off-Facebook Activity for people to have greater understanding of and control over their personal data. We've also designed a central location where everyone can access, download and manage their data. For businesses, there's also the Privacy & Data Use Hub, to explain the types of business data you share with Facebook through each business tool.

INTERVIEW

Bruno Bertrand

Digital Commerce, Marketing Director at Estée Lauder Companies South Africa, Estée Lauder
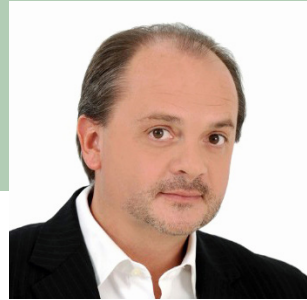
How do you believe Estée Lauder Companies' local ecommerce customers differ from those overseas?

Quite frankly not much, since consumer behaviour is very similar. What we do see is a higher percentage of mobile traffic and mobile conversation compared to Northern America or Western Europe. However, this is prevalent across all emerging markets.

While customers can shop through the various Estée Lauder Companies local websites (Estee Lauder, Clinique, MAC Cosmetics, Bobbi Brown and Smashbox cosmetics), your products are also available online through Superbalist, Takealot, Woolworths, Foschini and more. Does the data from your own websites allow you to form a clearer picture of what an Estée Lauder customer typically looks like?

Consumer behaviour changes based on the channel or platform they visit. On our own sites we have full access to first party data, which we do not receive from partner platforms. Not only can we track consumer behaviour this way, but also the full consumer journey, e.g. where consumers come from, what they do on our sites, how frequently they engage with the brand, etc.

Our retailers' brands boutiques tend to be very similar to our own sites, since they are built around strict ecommerce guidelines, with navigation as closely aligned as possible. This is to ensure consumers get the same experience across all platforms, and to maximise brands discoverability and path to purchase. We obviously cannot access the same level of consumer data analytics via our retailers platforms than what we have access to via our own sites, but we always try to unlock insights with our retail partners, to enable stronger collaborations, and more effective marketing and media campaigns. When I mention "effective" I do not refer only to Return on Ad Spend, or actual ecommerce conversion, it's also about ensuring we deliver the right message to the right audiences at the right time is as important to us, to support brands building and omnichannel objectives.

For us, ecommerce sites are not only transactional platforms but also very much a brand discovery platform. Consumers who might not have purchased the brand yet go here to learn more about the products, and might go on to purchase somewhere else, either online or brick-and-mortar. The path to purchase is not linear.

What online channel do you prefer when it comes to driving customers to purchase?

In the context of ecommerce conversion only, email marketing, underpinned by first party data from our own ecommerce platforms, and highly targeted PPC still provide the best return on investment and are by far the most efficient.

We've invested a lot of money in paid digital and social media over the last few years, and it proved very effective at audience acquisition, traffic generation and sales conversion. What we are doing now, which is also delivering good results, is integrating our shopping proposition into Instagram or Facebook Live. Products are displayed in the feed and customers can click on it to be taken straight to the product page on our website, so the path to purchase becomes a lot quicker. But still, some consumers will only respond to a mailer or an SMS, others, depending on their digital maturity, will go straight to purchase from an Instagram Live feed or a web push. Consumer behaviours and preferences are becoming more and more fragmented, and we are working hard to ensure we deploy smarter campaigns in consumers' channels of choice.

Has the Protection of Personal Information Act made a difference on how you make use of customer data?

Not to a large extent. The reason for this is, that as a global organisation, we have had to adhere to other Data Protection legislations in other parts of the world, and had already implemented best practices and stringent data protection policies via all our online platforms before local legislation kicked in.

Is there a new marketing technology that has grabbed your attention?

For me, the most interesting new development is how you can integrate augmented reality (AR), Artificial Intelligence and machine learning. This is set to be the new Holy Grail of engagement and conversion - whether with intent to drive product recommendations or to generate immediate ecommerce conversion.

As a company we have deployed AR on a number of platforms, both online and in stores. For example, we have Youcam technology via tablets and video walls in retail stores, and a number of Make Up Virtual Try On and Skin diagnostic solutions that consumers can already enjoy via our websites. And there's still more to come in future.

Are there any interesting lessons you've learned from the Estée Lauder Companies' local ecommerce sites that you would like to share?

From our viewpoint, you can't look at your ecommerce platform as only a transactional platform - they are also brands building, audience engagement and media platforms. If you only offer a fast path to purchase, you can't really call yourself a destination, nor are you maximising omnichannel opportunities.

Beyond merchandising, having a rich and clear content strategy is key to drive engagement and consideration, allowing consumers the choice to decide whether they prefer to purchase online or in brick-and-mortar. If you look at your site beyond a retail channel and see it more as a direct-to-consumer opportunity, where it allows you to engage with consumers, and acquire rich first party or cookie data in the process, the wealth of marketing insight increases at an exponential rate. This in turn should allow us to become smarter and more effective marketeers.

INTERVIEW

Paris Philippou

VP: Game Ecommerce & Digital, Game Stores

With Game's website, what's the split between mobile and desktop users when it comes to usage and to purchasing?

During the course of this year we have seen that over 70% of users visited our website using a mobile device. While this is generally the case – to have a higher percentage of users visit via mobile – there was an increase due to Covid-19 and lockdowns, where more people would access from home, using their mobile devices.

In terms of sales, we see closer to 50% of our sales come from mobile. Several considerations can be taken here:

- A strong mobile-first presence is more important than ever
- People start their shopping journey on their mobile device and then prefer to conclude the transaction on a desktop. So, there is more cross-device shopping happening
- People are using their mobile devices for "webrooming" at an increased rate. This is where you will research your purchase online before making a purchase decision in store.

How did you ensure that your website is 100% mobile-ready?

To be mobile ready is more than making changes after you've built your website; this journey starts at the point where you start to build it. In our case, the website has already been built, and like many other modern websites, it is responsive and mobile-friendly.

In terms of leveraging the existing solution for mobile, we work closely with all teams that create content, setup pages and create journeys on the website, and make sure we adopt a mobile-first approach. We don't sign off on these elements until we're satisfied the desktop and mobile experience works as best it can with the platform we have in place.

What do you believe are the typical pressure points experienced by local ecommerce sites?

This depends on the size and scale of your operations, and the complexity of your operating model. However, there are general pressure points no matter the size and operating model. All pressure points come down to your ability to service customers well:

- Your systems need to have solid and stable infrastructure to ensure a good user experience
- User experience in terms of web design, user journey flows, onsite search and navigation, are key to higher conversion rates
- Your ability to fulfil orders on time and in full needs very clear processes, management and KPIs
- Local courier networks are under more pressure to adapt to increased demands for online and to service growing demand in outlying areas, so a solid final mile model is key
- Marketing is becoming more and more data driven, and therefore your understanding and ability to leverage data and ensure all systems are aligned is critical
- Trust is the key to success - you need to build trust through consistency and dependable service. Creating trust as a new brand is also harder than an established brand and this is far truer for online stores than physical stores.

With a large amount of information available about the customers that shop on your site, how do you ensure your recommendation engine is working correctly?

You need to have a strong team that knows how to leverage data, understands your products and customers, and works together with the right technology on tweaking and adjusting it, to drive the best recommendations and offerings.

Regarding marketing, what channels do you prefer to push traffic towards the website?

The number one goal for anyone should be to increase direct and organic traffic. For me, that means we're a clear option for customers when considering purchases. To get that right, means more efforts around brand marketing and through good, consistent customer shopping experiences. It also links back to a solid, well-constructed and ongoing effort to ensure your technical SEO is on point.

Outside of that, Paid Search, Social Media and Email are very important to maintain a good digital marketing mix, maintaining presence and relevance, and when done right, getting you the qualified traffic which converts.

Is there a new marketing technology that has grabbed your attention?

To be honest, not really. I'm less interested in the fancy tech than I am in picking what fits and then leveraging the asset to do everything it was planned to do. Very few companies can say they have the latest and greatest and that they're getting every bit of feature and ROI out of it. Personalisation is such an example and I can't think of anyone locally who is really nailing that.

Are there interesting lessons learned from Game's ecommerce that you would like to share?

The world of digital commerce is a fast-changing environment, always has been. And with Covid-19, now more so than ever. Customer behaviour changes all the time, and we need to meet the new demands of customers as they come up. To stay relevant, you need to earn customer support by doing the hard things well and to keep a focus on excellence in customer shopping experiences - from the online user experience to delivery and post-sales support.

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