



**PUBLICIS  
COMMERCE**

# **2023 Review & 2024 Trends**



## A Note from David MacDonald, Managing Director, Publicis Commerce



David MacDonald  
**Managing Director**  
**Publicis Commerce**

As we close out another year and look ahead to the next 12 months, one thing is clear: 2023 has been a year of laying the foundation for what's to come. We've already seen enormous growth in the commerce and retail media landscape as tech, capabilities and data platforms have grown and mobilized but we can expect 2024 to be the year we bring it all together in better service for the consumer. We'll hopefully see greater unification when it comes to standards and data measurement. We'll also see AI move from a tactic to an integral piece of everything – content creation, data organization, search queries, product development and optimization, fulfillment and so much more.

Consumers today are looking for quality products, but also cost-conscious in light of macroeconomic conditions and shifts. This means brand loyalty is even harder to win and keep, when new players and constant, connected commerce is possible for all consumers. The funnel has collapsed, and media has become more transactional. Yesterday's impulse buy in the store can happen ANYWHERE. Brands who want to be successful need to find ways to be top of mind and increase stickiness across their entire brand journey.

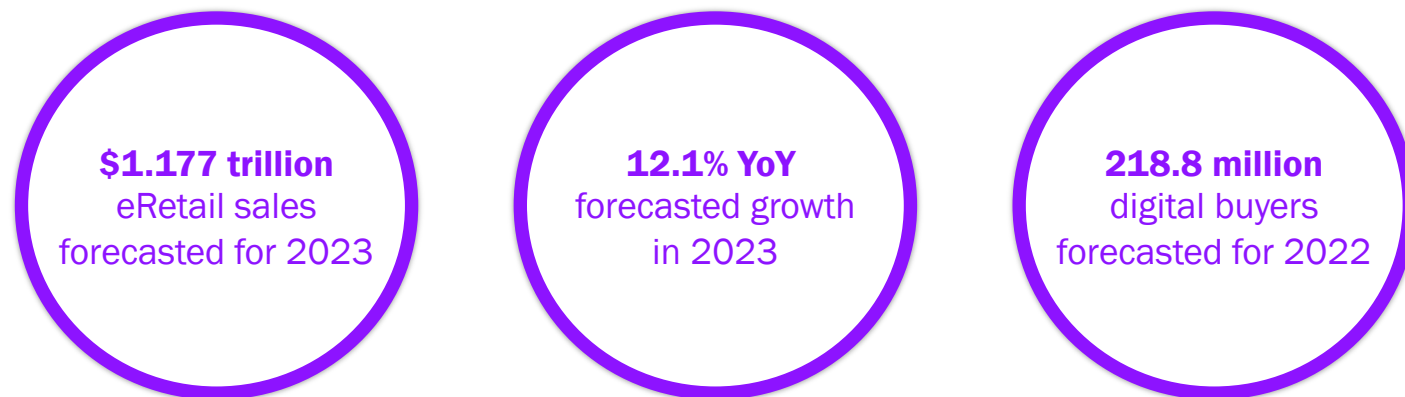
We'll also see non-endemic brands enter into the retail media space as another way to connect with consumers. While this is another connection point, it doesn't mean more dollars allocated, so brands will need to prioritize spend.

From AI to CRM to loyalty to a refinement of retail media as we know it, 2024 is sure to be a year of continued evolution and growth. Check out some of the predications from our leading execs across Publicis Commerce to learn more about what the next year has in store.

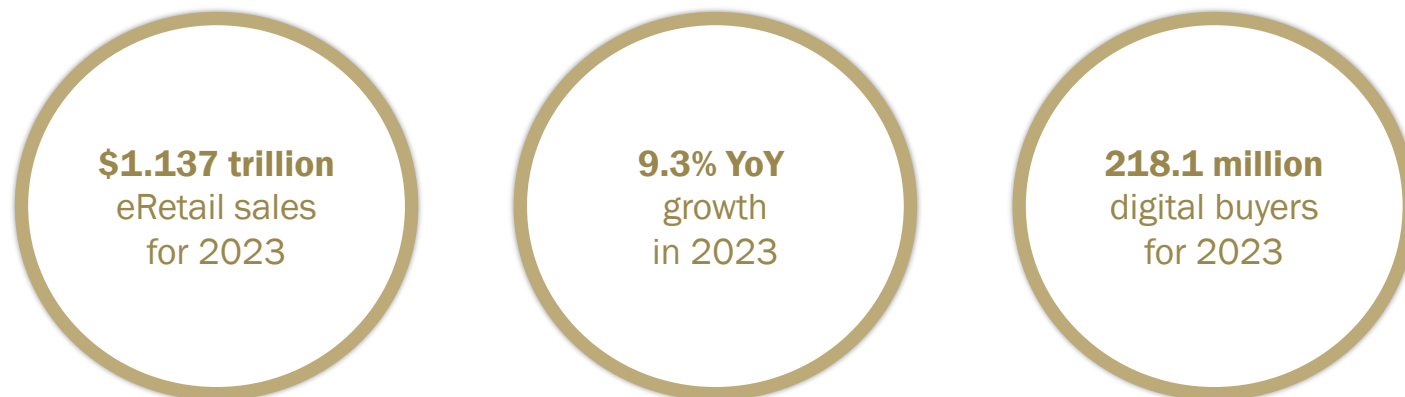
## 2023: The Year of Refinement

Last year, we predicted 2023 will be a year for refining and perfecting from 2022's learnings. Here's what was predicted and how accurately it aligned with the real outcome – ***please note all stats are US specific.***

### Predicted



### Actual





# 2023 Trend Results

## Trends that hit

We predicted these trends would be on the rise in 2023 and they performed accordingly

### Social Discovery

Gen Z becomes more prominent purchasers in 2023 and they aren't turning to search when it comes to discovering products. Discovery now begins at social. Brands need to start refining their social content to help with the discovery process and build out their social storefronts to collapse the funnel.

**42%**

increase of US consumers starting their online shopping search on TikTok from 2022

### User Generated Content

The creator economy continues to play a huge rule in influencing consumers' purchasing habits. As the area becomes more saturated, it's now not only important to partner with the right influencers but also encourage loyal consumers to post relevant content on your brand's behalf. Use this in your marketing for more authentic messaging.

**3.5x**

Higher spending on sponsored content vs social ad spending in 2023

### Artificial Intelligence

The sophistication of AI has reached a point where it can help brands in several ways next year. This mostly will come in the form of inventory management but can also play a role in customer service with chatbots and personalization of product recommendations.

**66%**

of marketers saw a positive ROI from AI investments in 2023

## Trends that missed

These trends didn't grow as expected

### Voice-Enabled Shopping

While AI might be able to help jump start this shopping capability, consumers are still not jumping at the chance to order products via a voice assistant. Challenges here are a lack of screens, privacy concerns and a poor customer experience due to limited device responses.

**-7.6%**

ad spend growth rate in 2023  
compared to 2022 for call centers and  
voice assistance

### Live Commerce

Livestreaming had a rocky start in 2022 and continued its slow trajectory in 2023. Tiktok placed bets on live shopping catapulting TikTok Shop into success but slowly moved away in favor of their affiliate model instead. Livestreams have proven expensive to scale and effectively convert consumers, but video remains an increasing consumer need, so we will continue to watch this space to see if consumer behavior shifts this trend upwards in the coming years.

**11%**

average percentage of Gen Z livestream  
watchers across all social channels

### DTC

While a DTC site offers brands many valuable 1<sup>st</sup> party data insights, we saw ad spend heavily increase with retailers. DTC will continue to be vital for many brands but not every brand has the resources to provide their own fulfillment. Especially with the converging retailers and social platforms, DTC is less necessary.

**19.7%**

increase in retail media spend for 2023



# 2024 Trend Predictions

## 2024: The Year of the Consumer

Coming out of a hazy economical year in 2023, things are beginning to look clearer. Given the 2024 US election, UEFA Euro Championship, and Paris Olympics ad spend for next year is predicted to increase by 4.7%. Although this increase is more likely contributed to high ad pricing than high ad volume.

In 2023, we discovered some key winners and losers in terms of favored consumer channels, behaviors, and expectations. Gen Z shopping habits have also begun to firm up giving marketers a bit more direction heading into the new year. As we approach 2024, it will be more important than ever to meet consumers on their terms, where they prefer and in ways that resonate with them.



In the following section, we'll take a deeper look at some of the forecasted trends looking to define 2024, as shared by our thought leaders.



## Consumer Channels

Top and fastest growing marketing channels

### Social Commerce

With new platform features such as TikTok Shop and Amazon ads integrated into Pinterest, social commerce is poised to grow 23.5% in 2024. This growth is driven primarily by the rising influence of Gen Z, and even the youngest generation, Gen Alpha, as they begin to discover brands through social content.

### Marketplaces

American adults report 43% of their purchases or product research comes from Amazon. Coupled with challenges such as rising theft incidents in brick-and-mortar stores, marketplaces consistently maintain their position as the preferred destination for consumer shopping carts.

### Retail Media

Retail media ad spend is forecasted to grow 22.5% in 2024. With additional measurement standards and upper-funnel offerings, RMN's will see expansive growth. Connection to CTV will be a big driver in spend. Brands will need to have clear goals to maximize spend.

## Consumer Attention

New ways consumer attention and behaviors are evolving in the new year

### Mobile Use in Store

Mcommerce will account for 43.2% of US ecommerce sales in 2023 and is expected to be at 93% by 2027. Driven primarily by Gen Z, mobile usage will extend beyond the confines of consumers' homes and help drive purchases while in store as well. Optimizing mobile apps to assist shoppers with their wish lists, item location, price comparisons, and more can further deepen their engagement with your brand and physical stores. The once-blurred lines between online and in-person shopping are gradually becoming clearer, aligning with evolving consumer habits.

### Returns to Drive Foot Traffic

Amazon leads the charge in easier returns that can result in additional sales. Allowing consumers to drop off packages at Whole Foods, Kohls, and Staples not only can be more convenient for the shopper but also lead to some impulse shopping.

### Entertainment Focus

Since the definition of TV and the way it's delivered has changed, consumers have developed a strong preference for ad-free streaming services. This preference has extended to various other products and services as well. Consumers are now willing to pay for ad-free social platforms, news sources, and more. For brands, this shift underscores the importance of capturing consumers' attention when they do come across your content. In this context, prioritizing entertainment over sales can be the key to winning their favor in the long run.

## Consumer Expectations

Consumers demand more and more everyday

### Video

Fueled by TikTok, video content, particularly in short-form, has become the preferred way to consume content. Businesses should embrace video throughout the consumer journey, spanning from their websites to Amazon and across various social platforms, and beyond.

### Generative AI

The hottest topic for 2024 is Generative AI. Brands should embrace AI as a friend not foe. Use it to automate and make your marketing more efficient. As performance and capabilities improve, expect to see both increased adoption as well as a greater emphasis on industry regulations and guidelines.

### Same Day Delivery

62% of DoorDash users are now choosing to order groceries and personal health items, signaling a shift toward quick and convenient grocery shopping. This trend also highlights the growing demand for affordable luxuries, such as last-minute delivery options.

A woman with long dark hair is sitting at a wooden table in a library, reading an open book. She is wearing a striped shirt and a dark vest. A denim jacket is draped over the table next to her. The library has tall wooden bookshelves filled with books, and three cube-shaped pendant lights hang from the ceiling. The background wall is made of vertical wooden planks.

# Publicis Commerce's Predicted 2024 Trends

Leading execs weigh in on biggest focus areas for the year ahead

## Retail



Jason Goldberg  
**Chief Commerce Strategy Officer**  
**Publicis Groupe**

**Economic Bifurcation:** As American families grapple with increased economic stress and financial uncertainty, two distinct retail segments are thriving. Luxury retail remains strong, buoyed by affluent Americans who are relatively shielded from economic turbulence and the return of international tourism to the US. On the other hand, value-oriented everyday essentials are on the rise, reflecting the trend of many American families allocating a larger portion of their household budget to necessities over discretionary spending. Retailers positioned between these two extremes are poised to encounter greater challenges.

**Owned Brands:** In response to the growing desire among American consumers to make their money go further, brand loyalty has waned, making people more open to experimenting with cost-effective store brands. At the same time, retailers' owned brands have evolved beyond mere alternatives to national brands, becoming distinctive and differentiated products. As a result, retailer-owned brands are poised to secure a larger market share than ever before.

**Disrupted by China:** As Chinese brands such as Temu, Shein, and TikTok gain increasing traction among US consumers and play a more prominent role in the US commerce landscape, they will exert a more significant influence on traditional Western brands. To adapt, brands and retailers must develop cost-effective models, enhance supply chain agility, embrace advanced social selling techniques, incorporate gamification, and leverage influencer marketing.

## Retail Media



Jill Cruz  
**EVP Commerce Strategy**  
**Publicis Commerce**

**In-Store Media:** 2024 will be the year retailers make strides in this arena. Large retailers like Walmart, Instacart and Kroger are making capital investments in the technology required to enable in-store media through screens and shopping carts. In-store media test and learns are being discussed and media agencies are beginning to see the store as the next buying channel due to its scale. If retail media networks can ensure in-store media opportunities are connected to their other digital solutions and offer them in a way that is easy to buy in a consolidated platform, substantial investments are likely to follow.

**More Retail Media Networks:** Who said that too much of a good thing isn't a good thing? In 2024, we anticipate even more retailers will launch their retail media networks. Faced with increasing pressure on profitability, retailers will continue to diversify revenue streams by monetizing their 1p data and creating advertising solutions. In addition, existing RMN's have aligned with the IAB to standardize measurement and provide guidelines to make good on the mantra that "Retail Media is just media". They will also continue to add media tactics to gain more spend from brands. However, the question remains: where will these dollars originate from? Historically, they've come from national media budgets, but a reckoning may be on the horizon. The overall advertising pie must inevitably expand. With advancements in closed-loop measurement and the capacity to link awareness to sales, an increasing proportion of media will become performance media, allowing CMOs to demonstrate the impact of advertising spend on sales revenue to their internal organizations.

## Experience



Veronica Jubera  
**Group Vice President, Strategy**  
**Publicis Commerce**

**AI-Powered will become a central element of digital commerce:** AI-driven personalization will reach new heights after reaching 66% positive ROI in 2023, enabling companies to deliver highly tailored shopping experiences and anticipate consumer needs. Advanced recommendation engines and virtual shopping assistants will provide customers with individualized product suggestions and real-time support, increasing customer satisfaction and driving conversion.

AI will continue to change consumer's search behavior; for product searches, we expect that the advent of AI will likely contribute to shorten the purchase funnel – an example is Google's SGE feature for product search that now serves the user with a plethora of product pictures taking you directly to a product detail page.

**Preference towards private label brands will gain traction:** Consumers started to prefer private labels in 2023 given the macro-economic situation and high inflation. That trend is expected to continue and is anchored on more than a price tag: there is now a perception of higher quality and better value, which we expect to translate in more prominent online displays and omnichannel tactics. Amazon-owned brand 365 had its first commercial series showcasing “life-ready, wallet-happy” products.

**Customers will continue to flock to digital marketplaces:** Marketplaces are booming and we expect the trend to continue into 2024. Customers appreciate the convenience of a one-stop shop approach and the ability to quickly compare items online, while benefiting from free one to two-day shipping. Amazon is poised to maintain its dominance, yet the emergence of Temu, which outpaced Target in terms of visitor numbers just four months after its launch, combined with a trending dupe culture, will continue to disrupt the ecosystem by commoditizing many categories. Furthermore, Shein, with its on-demand production model and competitive pricing, will also have an impact on established marketplaces.

## Total Commerce



Matt Horton  
**SVP, Go-to-Market Strategy**  
**Publicis Commerce**

**The Evolution of AI:** While 2023 set the foundation for AI, 2024 will be the year of further adoption, evolution, and growth. Expect to see a shift from usage of Traditional AI that solves specific tasks with predefined rules into Generative AI with a focus on creating new content and data. As performance and capabilities improve, expect to see both increased adoption as well as a greater emphasis on industry regulations and guidelines.

**Customer Lifetime Value:** By redefining CRM as Addressable Relationships in 2023, we've set the stage for the evolution of Customer Lifetime Value in 2024 as part of the Total Commerce experience. Brands that continually innovate to enhance the customer experience, through technology such as augmented reality, virtual reality, metaverse, and more, both online and offline, will have an opportunity to capture more unique data point, increase personalization, and grow lifetime value with customers.

**Sustainability and the Circular Economy:** Concerns about the environment and ethical business practices began to gain momentum, particularly as consumers demand more transparency from brands, including sustainable and ethically sourced products. Notable companies like Patagonia, H&M, The North Face, Eileen Fisher, and REI are actively working toward reducing waste, promoting recycling, and advocating for a more sustainable approach to the fashion industry. In 2024, expect to see more fashion brands and additional industries such as automotive, technology, furniture and home goods, CPG, and more to adopt circular economy principles to respond to growing demand from environmentally conscious consumers.

## CRM



Melissa Berger  
**Executive Vice President, National Strategic Growth  
and Solutions Connections Strategy**  
**Digitas**

**Further integration of generative AI to supercharge CRM:** We will see a continuation of AI being leveraged across all aspects of CRM into 2024. One major way we see this evolving into next year is the use of predictive journeys and next best actions (NBAs) across experiences. Historically this has been a more manual approach for brands and with the power of AI, brands will be able to dive deeper into 1:1 personalized experiences for each customer. Additionally, we have seen many use cases on leveraging a balance of AI and the human touch for customer service. Customers are increasingly wanting to be able to resolve issues and get answers to questions on their own time. However, it does not replace the need for an actual person in many circumstances (58% of US consumers say communicating with an actual person is what makes an interaction with a salesperson or customer service department a good experience, Mintel). It is important for brands to weigh self service via AI, but also make it easy if a customer wants to talk to an individual.

**The interplay of CRM and Media (Commerce):** Over the last 18 months we have seen that more and more Media RFPs are including questions around CRM, and CRM RFPs are asking about the connectivity with media. Per our research listed above, it is important to keep the customers you acquire and shrink the leaky bucket. According to the 10 Biggest Business Trends for 2024 from Forbes, The Customer Experience Revolution is a hot topic. This means “in 2024 the impetus is to ensure that every single interaction and experience makes the customer smile. This means personalized marketing that delivers what they need at the right time, on-time delivery, frictionless setup and installation, and efficient problem resolution”. Brands that connect paid, owned and earned in an effective way for the customer will lead the way in the future of customer experience!

**Loyalty evolution will continue – partnerships, experiences, creator led membership (e.g. Patreon, Youtube, Podcasters, etc.) will continue to grow:** Gartner predicts that 1 in 3 businesses without a loyalty program today will establish one by 2027 to shore up first-party data collection and retain high-priority customers. We are embarking on the Next Frontier of Loyalty: Identity Loyalty. 2023 has been all about setting the foundation for where loyalty is going and 2024 will be focused on implementing and activating. Loyalty partnerships that provide a *true* value exchange will continue to flourish (Delta Air Lines + Starbucks, Target + Ulta, Kohl’s + Amazon) into 2024. Experiences will continue to evolve as a part of loyalty programs going forward - this does not replace the need for foundational rewards as a part of loyalty programs, but will be a compliment to create a well-rounded program.

## Data



Paul Williams  
**SVP, Head of Commerce Sales Strategy**  
**Publicis Commerce**

**Analyzing Retail Media Performance:** In the quickly-maturing commerce media space, there is increasing complexity in analyzing performance across the massive but fragmented reach of channels at play, notably exasperated by competing sources of data truth and ambiguity in measuring results with enough confidence to make the next best activation and optimization decision. By unifying the right compatible data sources, products, and platforms to better communicate, the ability to measure some of the more incompatible datasets (like retailers' sell out data and media performance data, or bridging marketing and identity data with commerce media campaigns) becomes more substantial, thereby solving a number of hurdles in analyzing performance to better calibrate, optimize, and drive incremental performance – such as narrowing into incremental return on ad spend and growing revenues across the right channel mix.

**Advancing Use Cases for the Largest Retailer's Marketing Data:** Amazon Marketing Cloud provides cloud-based analytics that give advertisers a deeper look into their marketing performance across channels. AMC offers better insight into media spend and strategies, campaign measurement, and audience data. In 2023, Amazon Ads had the largest retail media network, which captured over 75% of the US retail media. With 200 million prime members, brands are looking for ways to harness AMC data to measure and optimize net revenue, organic versus paid growth, and other meaningful performance metrics for media tactics to grow their business on Amazon.com. We'll continue to see innovation in how we bridge both AMC data and vendor sales and media performance data to optimize incremental ROAS, incremental reach, better understand subscription drivers, and a myriad of other signals around revenue and profitability.

## Marketplace



Margaux Logan  
**SVP, Omnichannel & Emerging Marketplaces**  
**Publicis Commerce**

**Exceptional Delivery Service:** More and more retailers are adding in freebies for their members (and others) as part of the expected service level. The demand for faster delivery options, such as same-day or even instant delivery, is set to become more prevalent. Consumers now expect their online orders to arrive at their doorstep in a matter of hours, and businesses are racing to meet these expectations. This trend is fueled by the growth of urbanization and the need for on-demand convenience.

**Broader Assortment:** Beyond traditional e-commerce, we're witnessing the rise of services like food and grocery delivery, pharmacy deliveries, and even autonomous drone or robot deliveries. As globalization continues, the ability to purchase and receive products from far away retailers is less of a hardship and more of an expectation.

**AR/VR in app and on-site:** AR and VR have redefined personalization and customer engagement. Augmented Reality apps (or the inclusion of such concepts into retailer apps) allow consumers to visualize products in their own spaces, from trying on clothes virtually to placing furniture in their homes. VR-powered product demonstrations and immersive storytelling enhance customer engagement, making it easier for shoppers to make informed decisions. Additionally, these technologies have reimagined the concept of online marketplaces, with virtual malls and showrooms becoming more prevalent. Customers can interact with AI-driven shopping assistants, making recommendations based on their preferences and purchase history.

## Social Commerce



Emily Staples  
**Manager, Commerce Strategy**  
**Publicis Commerce**

**Retail and Social Converge:** Retailer and social platform relationships, while symbiotic, can sometimes be contentious. Social platforms like TikTok have been actively promoting their own checkout/storefront capabilities, while retailers like Amazon are incorporating social-like experiences within their own platforms. Social platforms are continuously evolving to convert users into paying customers. By integrating more product features, consumers are likely to engage with social media as a discovery tool, deepening their usage behavior. Brands will need to adapt their advertising content both within and outside of retailer product detail pages (PDPs) to become more engaging and entertaining, thereby meeting consumer expectations. Only time will tell if social platforms or retailers ultimately win the heart of consumers shopping habits.

**DMs are the new email:** The initial success of the text-based social platform, Threads, upon its launch underscores a crucial lesson for marketers' video isn't everything. There is still interest in text focused content, and it could be a huge attention stealer of Gen Z. This shift along with Gen Z spending more time on social platforms and less time in their emails, could mark direct messaging as a better way to reach consumers. Brands need to build their CRM tools to accommodate this shifting behavior and use the right technology partners, particularly those in AI, to help scale the functionality. If done right, brand can offer consumers a highly unique and personalized experience in their DMs that will win their loyalty.

## Retail Media



Addie Black  
**Commerce Strategy, Omnichannel Lead**  
**Publicis Commerce**



Susie McKeon  
**Senior Associate, Commerce Media Strategy**  
**Publicis Commerce**

**Non-endemic media spend will be key to RMN continued growth:** With the impending depreciation of cookies, non-CPG brands will need to find and accurately target audiences from new 1P data sources. RMNs will meet the moment with new and evolved upper funnel capabilities and sophisticated media previously not available to non-endemic brands. All parties win and it is bound to grow and flourish. Advertisers can leverage extended reach and rich media to drive both brand building and purchase intent. McKinsey cites that brands already place equal value on brand-building as for sales within RMN capabilities ([McKinsey](#)). Networks win with expanded revenue streams and the attractive value proposition to brands outside standard CPG. Shoppers win with an ever more connected experience. One challenge will be speed; sensitive categories (Pharma, Alc Bev) will require UX creativity and segmentation technology. Some retailers have already figured it out; Amazon released non-endemic placements in 2022. This year, GoPuff did the same through their new partnership with Rokr. ([Modern Retail](#))

**CTV & RMNs will create deeper and more fruitful partnerships:** This will be driven by the “commerce everywhere, all the time” trend and networks’ established desire to diversify brand-building media to benefit non-endemic and endemic objectives alike ([McKinsey](#)). Many of the partnerships have already been announced ([Walmart & Roku](#)). These partnerships will continue to be announced as networks compete to offer the best industry capabilities. Current partnerships are still nascent and with time and investment will only expand and become more effective – and therefore more popular with advertisers. Media spend has grown for both channels already and [WARC](#) and eMarketer project CTV and retail media spend will grow +20% for reach channel respectively in 2024 and beyond. One speedbump to RMN partnership growth is the eventual max out of uniqueness. After a while, the top RMNs will all have a CTV offering that will be indistinguishable from each other.



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