Up Close and Personal

How Close-to-Consumer Commerce
is transforming retail

Good Rebels

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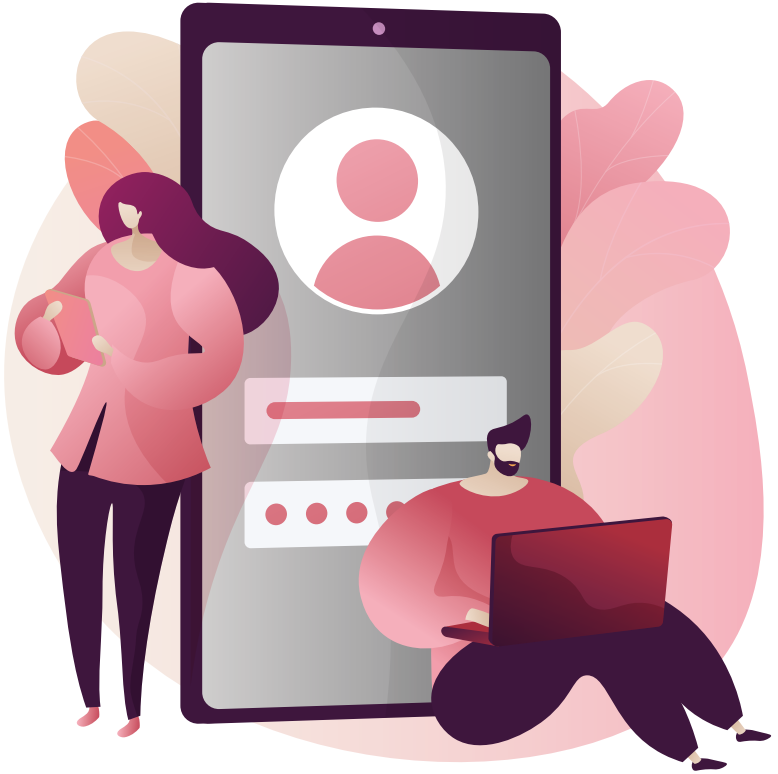


Foreword

by Mark Ralphs, Partner, Good Rebels

At the risk of stating the obvious, **marketing nearly always boils down to the search for people:** where they are, what they're doing and what they want. Humans can be quick to embrace new behaviours, accelerated by the ubiquity and increasing simplicity of the digital world, but our compulsions and motivations remain more or less consistent. We like to consume. We like value and convenience. We like to share and connect.

The COVID pandemic didn't create close-to-consumer commerce (C2CC), but it has supercharged it. A vast chunk of the Earth's population has been confined to their homes for months on end. For many, their broadband connection has been their lifeline. We've spent more time and more money online. We've searched for new digital experiences, starved of the opportunity for any other kind of experience. And we've discovered new ways to buy, new ways to sell, new ways to recommend, share and show off.

C2CC offers opportunities for brands and consumers to maximise reach and sales by making the most of relationships. These could be between consumers themselves — for example, by direct peer-to-peer selling — or via brands offering platforms tailored to do the same. Some brands — Storr, for example — offer democratic sales platforms allowing

users to create their own storefronts. And some take advantage of the increased reach and power of influencers, harnessing the new digital celebrity to achieve remarkable results.

And yes, those results are the end goal of all this, but we see deeper and — arguably — more interesting benefits behind investing in C2CC. These techniques can create new advocates which, in turn, can open up new markets. They can offer a different kind of customer experience — not greater control for the brand, perhaps, but with more and more varied touchpoints. **There is no way of telling where or when a customer will interact with your brand, on- or offline, so you need to be ready to accept them into the user journey at any point.**

What we're seeing is a shift in attitudes akin to the rise of social media. **Brands successfully adjusted to the always-on world. Now we're in the always-selling world.** The examples we'll discuss over the next few chapters are just some of the ways businesses are making the most of this new environment. We'll be helping our own clients to discover more in the months to come.

Chapter 1:
The Buying Game

It's November 2006. Twitter has been live for four months. Facebook rolled out Newsfeed in September. Google bought YouTube in October. And the UK's Office of National Statistics' website shows that internet purchases accounted for 2.8% of all retail sales.

The same dataset shows a spike in January 2021 in which **online purchases hit 36.3%** of all sales. And yes, the pandemic contributed to that number, but even without that spike, the figure currently stands at just over 26% and continues to climb. **The way we shop has changed fundamentally and the balance of power is only going one way.** And yes, we have the usual suspects: entertainment, apparel and, increasingly, fresh food and groceries. But even products which we might expect people to want to see and touch before they buy are seeing spikes, and not only among younger generations.

"The lockdowns of the past 12 months led to a lot of forced adoption and forced experiment, and a lot of future growth was pulled forward into a couple of quarters in all sorts of sectors. The UK had a much more rigorous lockdown than the USA, and it had a much larger increase in e-commerce adoption"

Step changes in eCommerce, Benedict Evans

And we're not just buying more online... we're trying new things, encouraged, perhaps, by availability and the ease of returning unwanted items. Why worry about switching brands if it costs you nothing — not even postage — to return it? If you're unconvinced by the fit of those new jeans or you don't like the way a necklace sits, back it goes in the same box. No harm, no foul. We've been encouraged to try something new by a combination of necessity, convenience and what passes for adventurousness when you're trapped indoors, and it turns out that we rather like it.

McKinsey research shows that **75% of US consumers have tried a new shopping behaviour since the advent of COVID:** a new method — for example, delivery apps or so-called curbside pickups; a new brand; a new retailer. The intersection of digital entertainment with our everyday lives (as if we didn't spend enough time in front of a smart device anyway) effectively means that we can shop at any time. Remember the dual-screening phenomenon reported around London 2012, where people were watching television while keeping an eye on something else via the smartphone in their hand? Now we carry Oxford Street, Fifth Avenue, the Rue de Rivoli and Sainsbury's with us everywhere we go. **The delay between wanting and owning has never been so brief.** Frankly, this tech has made us all into toddlers who know there are biscuits in the tin. We gotta have it.

If you've suddenly been distracted by the sound of your CFO rubbing their hands together, cackling maniacally and comparing prices on this year's new Lamborghini models, we should point out that it's not as easy — when is it ever? — as sitting back and watching your share price rise. More choice means less loyalty, of course. But there are other things you need to get exactly right or your intrepid new consumers will bounce right off your online store and back to a competitor. **Availability is the number one driver of new brand purchases,** which makes sense: if you gotta have it, you gotta have it now. Convenience, value and quality all follow close behind. If you build it, they will come, but you'd better be ready to deliver or they'll vanish just as quickly.

For marketers, the convergence of technology, will and circumstance has created the promised land: legions of retail-hungry consumers, anxious to try new things, constantly connected and empowered to buy in seconds. But beware, both of complacency and an incoming metaphor that defies convention and stretches good taste to its limits: this promised land is something of a minefield. There is almost no way to control the structure of your brand promise. **There is absolutely no way to guarantee the order in which your customers see your messaging.** **A linear customer journey is impossible.**

"Companies should be channel agnostic, meaning it does not matter if they start with online or offline, what matters is that all channels are interlinked to give consumers the convenience they need"

The Truth About Online Consumers, KPMG

Traditional advertising still has plenty of value, and digital advertising benefits hugely from its proximity, so to speak, to the online storefronts themselves. But if we as consumers are spending more time online, giving consideration to new things and exploring new routes to shopping basket, we're also forming and using relationships along the way — relationships that have a powerful effect on buying intent. These relationships can be with existing peers — friends and family — but increasingly they're with **the online personalities we encounter in our digital peregrinations.** Influencers have evolved, both in terms of the power they wield as a part of the marketing mix and in their capability to direct spend through channels which benefit the influencer directly.

Is there any difference whatsoever between hiring George Clooney to sell Nespresso machines and hiring one of the Sugg siblings (look them up... they earn more than you do) to tout your own product or service? Is this a rhetorical question? Yes and yes.

A 2018 study at the University of Tilburg in the Netherlands found that the consumers they studied:

- identify with influencers more than they do celebrities,
- feel more similar to them, and
- trust their endorsement significantly more (interestingly, that trust existed even if the product was not directly related to the influencer's field of "expertise", but was magnified greatly if it was).

And yes, there is a blurred line here: **what constitutes an influencer vs a celebrity?**

The study explores this potential fly in the ointment, but concludes that the answer is basically what you'd expect it to be. An influencer is identified as someone who has established a social media following by pursuing an area of expertise or a particular interest, whereas a celebrity has found their fame through the more traditional route of broadcast media (we were tempted to refer to "talent" as part of this latter description, but then we remembered Made in Chelsea).

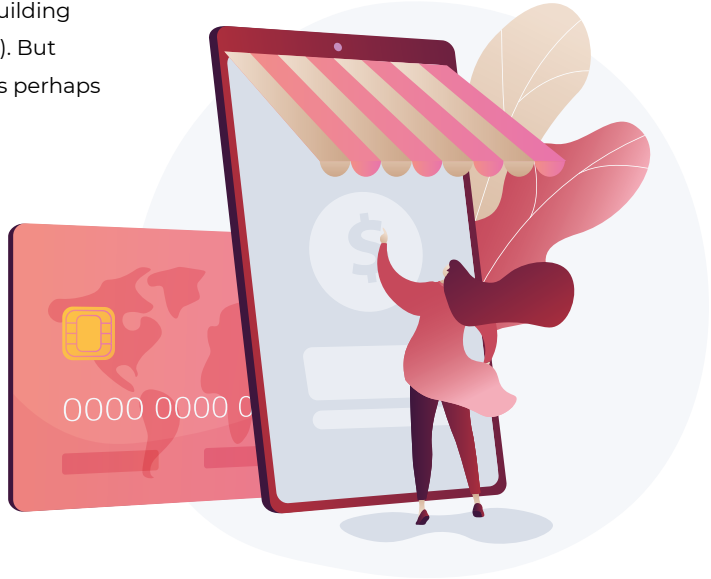
We admire celebrities. We may covet their lives, their experiences, but very rarely do we feel close to them. **But we invest in an influencer, regularly and consistently.** We set up notifications for when the latest video drops. We get glimpses into their daily lives, their diets, their grooming routines, their wardrobes. This is emotional proximity: we think we know influencers, and so we tend to believe in their recommendations, especially because we're hearing them from an "expert" (or so we've judged them). And while your friend might send you a link to a pair of jeans she loves, the influencer can give you one generated uniquely for them by the brand in question, perhaps even offering you a nominal discount, and guaranteeing that influencer a kickback in return. The loop is complete.

The opportunities for brands, for marketers, are many and manifold. As consumers, we're online all the time. We're shopping all the time. We're open to suggestions. We give weight to (perceived) informed opinions. We form digital relationships which, by their very nature, are up for sale. **Everything can be a storefront. Everything is available. It's six o'clock somewhere, so who's buying? All of us.**

Chapter 2:
The Social Networks

We've managed to write an entire intro without mentioning arguably the world's most influential businesses, but we can't ignore the sound of trumpeting from the corner any longer. **Facebook's ingenuity in finding new ways to monetise its 2.8 billion active users is well-documented,** and its peers and competitors enjoy similar advantages: an excellent tech foundation, engaged users and strong existing relationships with brands.

Since the introduction of News Feed, a defining feature of Facebook's strategy has been to keep users inside Facebook's ecosystem (without wanting to get sidelined, a clear illustration of this is the ongoing friction between Mark Zuckerberg and Rupert Murdoch: the latter deeply resents the loss of ad revenue stemming from Facebook's ability and willingness to serve up News International's content within the Facebook app). Creating dedicated brand storefronts within Facebook, effectively recreating the store with a branded front end and Facebook tech supporting it, is a logical step and Facebook's partnership with Shopify delivers on this (although how long that will last, when Facebook is more than capable of building its own solution, is another question). But although it's simple and effective, it's perhaps not the most creative solution.



Instagram lends itself more easily to creativity thanks to its strong focus on imagery and "making". **Pepe Jeans** put down a marker in 2019 with the #CustomStudio campaign, with Good Rebels delivering the canvas and the buzz it needed to fly. The campaign centred on a simple insight: that creators and customers would welcome the chance to customise Pepe products. The brand's Custom Artist created a set of unique designs — fabrics, illustrations, buttons and logos — which were then recreated as stickers within Instagram Stories. Users were given an iconic piece of clothing — a pair of jeans or a denim jacket — to use as their blank canvas, and could then customise them using the designs and share their creations within IG Stories. The digital heart of the campaign was supported by live events in London, Berlin, Barcelona, Paris and more: the creators of the best customer designs were invited to see behind the scenes and watch Pepe in-house designers bringing their visions to life.

Why did digital stickers capture 4.4 million views? Why did the campaign generate 176,000 impressions a day for its duration? The client and agency recognised a **passion for creation** that was already present in its customer base, and stoked that passion by creating a simple, usable and shareable tool. The product sat at the heart of everything. All assets were created by the brand and made freely available to users: all they had to do was go and play with them, all within the Instagram environment and via virtually any connected device. Creativity, writ large but delivered in manageable, bitesize portions.

On top of this, the campaign could use the interactive tools already set up in Instagram — polls, surveys and the like — to capture sentiment and add to the dataset. And, crucially, it was not a hard sell. The Pepe storefront was always only a click away, but it wasn't baked into the process in an aggressive way. Co-creation was always the aim, and the functionality to share and broadcast was crucial in allowing the message to spread. But the brand had the confidence to talk about creativity, to stand for something interesting and engaging, rather than bombard users with hard sales messaging. **Audiences detect cynicism very quickly indeed.** Cynicism here would have killed the idea.

For a slightly different take on this formula, we turn to a collision between two behemoths of branding and social: **Nike and WeChat.** WeChat is, of course, the ubiquitous messaging and social platform in China.

Its breadth of features — chat, messaging, broadcast tools, games, payment, photo-sharing and much more — is astonishing by any standards and its user base stands at over 1.2 billion.

Nike's aim was to connect more closely to its users by leveraging WeChat's incredible influence. There's nothing new about this, of course: many, many brands deliver their store experiences directly through WeChat, and its users have become accustomed to a certain level of experience and customisation. Nike effectively recreated the Nike Store within the WeChat environment but, conscious of their demanding audience, integrated a number of features designed to provide a veneer of exclusivity. Yes, you could buy your shoes, tops, bags and the rest, but you could also access events, a membership pass, an "expert on demand" service and more. **The genius inherent in offering something exclusively to a billion people is crucial here.** The point is not that Nike is doing anything substantially different to what it does anywhere else: the point is that it's **different enough** to satisfy the demands of the WeChat user base. And behind this, Nike gets the benefits of all that data: after all, you need to be logged in to access the content.

So it's not a case of "if you build it, they will come". They're there already. You HAVE to build it. In marketing and logistics terms, this is not so different to building a flagship store in Beijing. And yes, of course there is creativity in the production of the store itself: Nike and its agency collaborated to produce something beautiful, glossy, premium and compelling. But the idea itself — build a store in an area of high footfall — is simplicity itself. Make a great shop, show the customers you love them with a sprinkle of giveaways and loyalty schemes, and leave them to it.

"Users are emotionally invested in the social platforms in which they spend more time. Go find them there and you will build authentic interaction"

Is Nike capitalising on an emotional connection? Perhaps, in the sense that we're emotionally invested in the platforms on which we spend the most time. WeChat — and, perhaps, Facebook — are outliers in the sense that they do so much. If you were so inclined, you could live your online life in these environments, talking, buying, sharing and connecting without ever logging onto anything else. So when you compare Pepe and Nike and the way they've exploited social channels to get closer to their consumers, you could reasonably argue that Pepe came up with a creative idea and then used the social platform to make it sing. Nike, by contrast, decided that the creativity was inherent in the platform, and what they needed to do was tweak their output to fall in step with it.

Ad creatives might lament the lack of "idea" in its classic sense, but perhaps this is the genesis of something else. In one sense, it's **supremely honest** — we're selling to you, you know that and we know that, so rather than hide it we'll try to make it as interesting and rich for you as possible — but in another it's a surrender to the power of the platform. There's nothing Nike can build cost-effectively that will guarantee the reach and power of WeChat. It's far easier to play WeChat's song than write their own.

Strip these ideas down to the bare bones, and what you have are a pair of brands that went in search of their customers. Pepe chose a subset — creators, and those who enjoy and consume that creativity — while Nike spotted that everyone who was anyone was on WeChat, and so built their flagship store there. By linking those emotional connections to a direct sales mechanic, both closed (and broadened) the loop. Pepe's work was built

for sharing. Nike's was built for purchase, but set within the structure of an application that is inherently about sharing. And both brands, crucially, got the **detail right.** Pepe's assets were beautifully created, with the hallmark of high-quality design and linked to the seamless, user-friendly tech supplied by Instagram. Nike brought their expected ultra-high production values and gloss to the party. The balancing act for brands must be to find the right idea for their audience, as ever. But it's also to remember that this is far from the poor cousin of your TV ad or homegrown app. Users expect consistency, quality and a perfect experience, from the browsing to the purchase to the share. It needs to be seamless, to make the navigation of the idea as rewarding and frictionless as the content. Get that right, and you're almost home.

Chapter 3:
Democracy in action

Retail brands have always built relationships with their customers that encompass, but go beyond, the products they sell. We know what a Walmart, or a Tesco, or a Lidl, stands for. A century ago, retail brands often traded on the personalities of their founders. Harry Gordon Selfridge, for example, promoted the idea of shopping for pleasure, and engineered his London department store towards keeping the customers within the building for as long as possible by diverting them with fantastic product displays, “silence rooms” and elegant restaurants. Customers came to understand the ethos of a store, to have expectations of quality or price and, gradually, to exhibit loyalty.

Does this exist to the same extent today? Looking back to McKinsey’s research on buying habits during the pandemic, you might doubt this. The leading drivers of new brand purchases **are availability, convenience and value.** If I want that new pair of jeans and my favoured online store doesn’t have it, or it’s cheaper elsewhere, I’ll buy it elsewhere.

But in our connected world, loyalty can take different forms. We’ve talked (briefly) about the role of influencers, and we’ll come back to them in more detail in the next chapter. But what about our **personal relationships?** What about the loyalty and closeness we feel to friends and family? Surely brands can’t exploit those intimate human connections to drive their sales?

Rather than talk in the abstract, we'll come straight to the example. Italian fashion brand **Diesel** saw just that opportunity when it created Side:Biz, an ingenious melding of gig economy thinking with social and digital connection. **Participants register to become a Diesel "ambassador"** through a dedicated site, and receive a unique URL to a Diesel online store linked to their personal account. When they share that link, any purchases made through it earn them discounts, rewards and other exclusive goodies from the brand.

At first glance this seems like an influencer strategy, but **the genius lies in its democracy.** Anyone can do this and, once Diesel sets up the technology, the real value lies in its scalability. Yes, you can negotiate with powerful tastemakers to target a specific audience, but if you can do that why not open it up to the world? Why not harness tens of thousands of micronetworks as well as dozens of mature, developed communities? This campaign, a multi-award-winner at D&AD, is surely one of the purest illustrations of the power of social networking. Like those jeans I bought last week? Then buy them here instead of there: it'll cost the same, but I'll get kudos and rewards. Why wouldn't you? The ambassadors build their profile within their own networks by acting as a digital hub for cool stuff. The buyer gets what they want, with no discernible difference in user experience. Literally everybody wins.

Storr takes this idea one step further. Storr is a white label allowing anyone — anyone at all — to create an online storefront, stock it with a selection of products available within the Storr ecosystem, then use that storefront to sell to friends and peers. It aims to do for retail what AirBnB has done for travel and hospitality: offer a truly democratic, low-friction solution for selling branded goods peer-to-peer.

Eric Senn, the CEO, suggests that the money which would traditionally have gone to a Macy's or an Amazon will now go directly to the individual, and describes the technology as "Robin Hood" in nature. For those of us old enough to remember Avon reps or Tupperware parties, that might sound a little Silicon Valley-evangelist. But it's undeniably a brilliant idea, giving anyone **the opportunity to open a shop and sell whilst contracting out the actual construction of that shop to a third party who, presumably, takes a cut on each transaction.** Every product is chosen by the seller, so in theory everything is a direct referral — "I chose to feature this pair of trainers or that moisturiser over this one".

And, of course, there are implicit possibilities here that go beyond peer and friend groups. Many salespeople work on commission: in theory, you could create a localised version of this for a Selfridges or a Saks Fifth Avenue, and offer every member of staff their own unique store. In practice, there are an awful lot of complexities falling out of that, including a bite out of the guaranteed margins that retailers expect, but there's a lot to recommend it — or something like it — too. A communication of **real enthusiasm and passion for the things they sell, prompted by the fact that they've self-selected these items.** The promise of a bonus on each transaction. The boost to your own profile, and an incentive to continue selling and recommending on your own time.

In a way, it's surprising that Diesel and Storr aren't two of thousands. After all, there's no particular technical gee-whizzery going on here. Building localised, customisable versions of storefronts is relatively simple. Tying that to a loyalty or a reward mechanic is equally straightforward. And yes, you can see how some brands would have concerns about allying themselves with products like Storr. To go back a few pages, you can see how Nike (or, perhaps, high-end luxury brands like Prada or Dior) might have reservations about how their merchandise would look (or feel) when it's opened up to such a broad audience. Storr will, presumably, live or die on the brands it persuades to be part of its ecosystem and on the celebrity names it signs up to open their own stores (the idea came about through a conversation with a high-profile athlete who liked the idea of owning a store but didn't have the time or expertise to set it up).

And yet, as far as we can tell, the numbers remain relatively low. Storr was launched to a flurry of media attention in 2019, but hasn't troubled the financial pages much since then. **Are there too many barriers to be negotiated? Are brands still sceptical of the complexity of scale? Is it easier to pay a celebrity or influencer six figures for a plug?** Perhaps the old habits do die hard, but this is undoubtedly one to keep an eye on.

"Some brands may have reservations about opening their merchandise to such a broad audience, but there's a lot to recommend a model tapping on customers' personal relationships"

Chapter 4:
Under the influence

We've spent plenty of time talking about recommendations. By the understood definition, they imply a genuine endorsement of the product in question. When Serena Williams waxes lyrical about her mattress, deep down we know that her actual mattress is made of swan down and angels' wings. Kevin Bacon doesn't really use EE: he's on the Illuminati-only network that all Hollywood stars get signed up to after their third big movie. This is advertising, and nothing more, and we all know it.

Influencers have a trickier road to navigate, and although legislation has given some clarity to the blurred line between endorsement and paid promotion, it's not perfect. But that Dutch research on trust and celebrity showed us, **we believe "real people" — and most influencers fall into that category — over superstars.** Expertise does come into play, but more as an added bonus than the bedrock.

"When influencers endorse a product, consumers may be more likely to attribute this to the endorser genuinely believing in the positive characteristics of the product than when a celebrity endorser is used"

Schouten, Janssen & Verspaget (2020) Celebrity vs. Influencer endorsements in advertising. International Journal of Advertising

That connection that influencers create between themselves and their audience is a powerful thing. Part of it is familiarity: the sort of familiarity you can only have with someone you see several times a week. Part of it is the intimacy many of them offer: broadcasting from their own home, perhaps even their own bedroom, with their hobbies and trinkets all on display, their foibles discussed openly. They aren't the romantic ideal, hopelessly dreamed about. They're attainable.

This unique blend of intimacy, connection and trust is there to be monetised too, of course, and this is the driver behind livestream eCommerce. It's not a brand new idea, although the pandemic has supercharged it and, like many of the trends driving online commerce in 2021 and beyond, China is leading the way. In 2020, around 9% of all online retail sales in China were driven by livestream. 700 million people bought something online in China in 2020. More than one in three of those - 37% - bought something through a livestream. One study puts that figure at more than two-thirds. Given that the phenomenon has existed for only five years, that's almost redefining "explosive growth".

But in these relationships, the influencers seem to have a far larger share of the power than we might be used to. In the West, huge celebrities command huge fees and the biggest can pick and choose the brands they work with, but in the Chinese markets the leading influencers seem to be able to combine both the emotional link and the megastar status. In June 2020, Bloomberg ran a piece which focussed on Huang Wei, known as Viya. One of her broadcasts in May of that year hit 37 million live viewers: more than the Game of Thrones finale or the Oscars, but every night

of the week. On Singles Day, China's biggest shopping event of the year, her viewers logged 3 billion yuan in sales. One influencer. One day. Almost half a billion dollars. **The best of the best** — and Viya certainly is that — **can pick and choose what they sell, and say they demand discounts for their customers.** This means runs are limited, so fear of missing out becomes part of the mix.

The pandemic has undoubtedly boosted these numbers. And platforms have taken Amazon's lessons on creating a simple, seamless buying process to heart: you usually have to be logged in to watch the stream, so your payment method and details are all stored already, and the transaction itself doesn't close the video window — it just minimises it for the duration of the sale. Western businesses are watching closely. Procter & Gamble already hosts livestreams in the Chinese market. All the big players — Weibo, WeChat and Taobao, as well as challengers like Xiahongshu — are involved. This can only continue to grow.

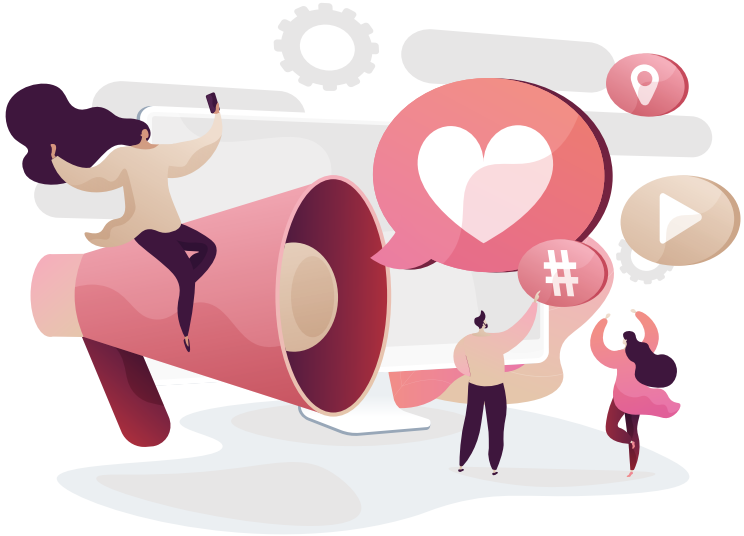
Presumably a saturation point will come. The astonishing gains and widespread appeal will continue to attract brands and create new stars (by some estimates, the number of merchant influencers in China has doubled since the pandemic began). China's boom is fuelled by (and fuelling) retail and consumption, and stars like Viya seem able to tread the fine line between popularity and credibility. People both like her and trust her judgement. Combining those two valuable traits isn't always so simple, though.

The Telegraph frothed with rage back in December 2020 at the suggestion that the UK government was giving public money to influencers — notably a former Love Island contestant — to promote test and trace and vaccination. In the US, teenagers Ellie Zeiler and Olivia Rodrigo, with tens of millions of followers between them, were asked by the government to participate in a "get vaccinated" campaign. So here's the rub: what happens when you take an influencer out of their comfort zone? Aren't we now just back to George Clooney selling coffee? Doesn't that beg the question: what the hell does George Clooney know about coffee?

Are these people popular? Of course. Are they credible? Well yes, maybe, but in a specific area. The UK government won't say how much it paid to Shaugna Phillips, Chris Hughes and the other reality TV stars it signed up, nor will it reveal whether the campaign was successful (in fairness, it's not easy to track).

But the market for influencers is mature: it's not a new phenomenon trading on its originality. **If we like someone's grasp of the latest lipstick trends for summer, does that mean we'll take health advice from them?**

The astonishing success of livestream selling in China is proof that the influencer world has more to offer. As a market or discipline matures, as the numbers grow and brands see concrete proof of ROI, that in turn will drive investment and innovation. **China may be an outlier, given the incredible proportion of online retail sales to physical sales, but it's setting the tone.** And everything is trackable and quantifiable. "Half my advertising spend is wasted, I just don't know which half", said John Wanamaker more than one hundred years ago. It's not a problem any more.



Chapter 5:
24-Hour Retail People

Whatever the psychological drivers - boredom, FOMO, a love for what's new - we're shopping more. **In fact, we're shopping all the time. And brands, supported by social, media and technology partners, are delighted to find new ways for us to do it.**

But what seems most interesting about all of this is the competition for our attention. **Nearly all of the "new" methods for capturing our spend seem to give something back.** Nike made sure that its WeChat store had baked-in offers and discounts. Storr rewards its sellers (yes, this is basically an affiliate fee) with cash and other loyalty bonuses. The livestream stars negotiate discounts on behalf of their fan-customers. Brands are happy to cut into their margins (or, at least, seem to). And this sits slightly at odds with the insights McKinsey offered in "The Great Consumer Shift". Availability and convenience trump value. We'd rather just have it than hunt around to find it more cheaply. For anyone who's tried to explain the importance of self-restraint to a four-year-old, that's quite a depressing thought. And yet how else to explain the sudden glut of instant-delivery services — Weezy, Getir, Beelivery and many others, all promising delivery in under an hour?

"Looking at China, the increase in promotional activity to cater to consumers' focus on value in apparel is expected to continue"

The Great Consumer Shift, McKinsey & Company

For some products or brands, value is relative. The automotive industry's buying journey has changed substantially in the last twenty years, for example. Whereas once a prospective buyer would test-drive two or three cars before purchase, one is now the norm, placing great importance on the test drive user journey. When Lexus asked Good Rebels **to boost those test drive bookings by tailoring the booking experience,** we focussed on streamlining that user journey and improving the efficiency by creating a dedicated channel within Facebook Messenger. Acquisition— which was designed to broaden the brand's appeal and include a slightly younger demographic — was conducted entirely through Facebook advertising. Users could conduct the entire consideration and engagement process through a Messenger bot, exploring the range before booking the test drive. The content was crafted to deliver Lexus' premium brand promise, and delivered a 6x uplift in conversion versus traditional digital journeys (as well as finding almost 30% of its traffic from customers entirely new to the brand). In a way, it echoes the thinking behind Nike's WeChat store: **it's far smarter to build the storefront (or dealership) where your prospects already are than it is to hope that they find it.**

And yet there does seem to be a shift. Not every influencer is Viya, of course, but **the balance of power — perhaps for the first time — is moving away from the brands.** It is, perhaps, harder than it's ever been for a brand to create a strong emotional connection with its audience. We know them too well. We hear too many stories. For every Nike trainer fanatic, there's a refusenik who'll never forget the "sweatshop" allegations of the 80s and 90s. And these challenges can stem from issues beyond their control. Trump's hostility to Huawei led to a "Boycott Apple" campaign in mainland China.

Instead, **we lavish our affection (and our spend) elsewhere.** Storr already allows individuals to curate and promote a personal shop. Amazon offers The Drop: fashion collections "handpicked" by influencers and style experts. Curated.com connects sports enthusiasts with experts to help them select the right gear. Detoure is a secondhand clothes store with collections curated by yet more influencers. Who owns these relationships? The brands? Not at all... people are buying the recommendation and cachet, not the label. "Share a closet with your fave fashion icons and bloggers", shouts Detoure's site. I don't want to wear Prada: I want to look like Meghan Russell.

As a wise person once pointed out, **credibility is a resource based on scarcity.** These things move in cycles. It may very well be that this is a passing trend: that once everything is endorsed by a vlogger or hyped by an influencer, more traditional marketing — owned content, rather than shared or bought — makes a comeback. As something becomes ubiquitous, it loses its edge.

So perhaps the real lesson for brands here is: think of the possibilities. A storefront can be almost anything in the 2020s. Look at the evolution of social media, from the preserve of teens and twentysomethings to a world-conquering, almost inescapable behemoth. Then comes the fracture, as various platforms find their niche: Linkedin, Facebook, Twitter, Instagram et al, all vying for greater and greater audience share. Meanwhile, splinter groups like Clubhouse, the audio-based invite-only app, spring up to make a virtue of exclusivity. Many brands understand the value of perceived exclusivity: there are opportunities here to tie limited editions to low-volume platforms, or to time exclusives to create a frenzy of avarice that will, intentionally, never be fulfilled.

What is reassuring is the knowledge that **nothing need be wasted.** Everything can be tracked. Everything can be analysed, refined and updated. The more brands understand their customers, the better they can target them. The more effective that targeting, the better the data that will stream back into the funnel and the better that targeting will be next time. **Where do brands go from here? Anywhere.**

Chapter 6:
That's Entertainment

It's been an awfully long time since gaming could be dismissed as a niche pastime for teenage boys. The video game industry is expected to decline slightly in 2021, but only in the context of the astonishing $178 billion it managed in 2020: more than Hollywood, the NFL, the NHL and the NBA combined. Games are bigger than movies and sports put together. Yes, really.

Historically, marketing in-game has consisted of static advertising of rather dubious value: one thinks of trackside banners in racing games, for example, or aggressive sponsorship by the usual suspects: sports brands, soft drinks and the like. But **the nature of gaming has changed too, and the opportunities for brands are opening up as never before.** Brands are building virtual properties on digital real estate, safe in the knowledge that they'll see tremendous "footfall". And the best examples are using tech and interaction to drive deeper and more meaningful interactions within the games themselves.

"The games market will continue to grow in the following years, exceeding $200 billion at the end of 2023"

NewZoo

Let's start with **Fortnite**, the online battle royale game which, at its peak in mid-2020, claimed a player base of 350 million registered users. Fortnite's developers, Epic, have since lost a substantial number of users thanks to their lawsuit with Apple — although the fact that they felt able to go toe-to-toe with Apple tells its own story — but can still claim an audience comfortably into nine figures. Fortnite excels at creating massive, limited-time events — the recent Ariana Grande concert was a case in point — to which tens of millions of viewers flock. The game folds its sponsors and partnerships into the game world, which sounds obvious but is an absolutely essential factor in its success. A partnership with Marvel doesn't just plaster a poster over the loading screen: it means that Iron Man guides your character as you start a new game. Ariana Grande doesn't just play a gig: her avatar is incorporated into the game itself. And naturally, there are themed outfits and other shiny virtual toys for the users to buy. The NFL has partnered with Fortnite. John Wick 3 was launched through Fortnite. **Much like LEGO before it, it seems any brand or IP can fit neatly into Fortnite's framework:** the trick is in doing the partnership with gusto and commitment, creating the right content and making it feel in keeping with the game world's style.

But Fortnite, brilliantly managed though it is, is still using its high-value real estate as interactive ad space. Other gaming experiences are tying themselves into the world of retail in more fundamental ways. **Axie Infinity** is one such example. Developed in Vietnam and particularly popular in the Philippines, its gaming loop takes inspiration from the all-conquering Pokemon series by asking players to breed and train monsters (Axies) with which they can battle online. The online items used to breed these monsters, though, double as cryptocurrency tokens which can be traded and sold. Which, to the uninitiated, may sound ludicrous. But the top players can earn hundreds of dollars a day trading these assets: in fact, in June 2021 the developers announced that their dedicated marketplace for non-fungible tokens (NFTs) — the in-game assets, effectively — hosted over $170million in trading volume for the previous 30 days. Payouts are in ethereum, the most popular cryptocurrency after Bitcoin. **The idea that it might be possible to earn a living from playing video games isn't quite as laughable as it might have seemed ten years ago.**

Gaming has huge advantages in terms of its **demand for the user's attention,** especially when compared to its traditional entertainment competitors film and music. The gaming feedback loop, almost by its nature, is mid- to long term. Whereas a 1990s videogame might provide the user with 10-20 hours of entertainment, a modern online game has built-in progression mechanics designed to keep the user engaged and "levelling-up" for months or years. Developers plan their content in "seasons", releasing new cosmetic items and progression rewards to keep the player coming back for more. In this context, it's perhaps more sensible to compare them to a blockbuster TV production like Game of Thrones, which wants its audience invested for the long term, or even a Premier League football season. One match; one episode; one play session... that's not the point. **The point is to gradually level your character up, investing your account with more and more virtual stuff.** And yes, this may sound like busywork, but the point is that the process itself is enjoyable. All you're doing is playing the game. The clever part is to make it seem as though there's always something broader to achieve beyond your score. And whilst it would be a little odd to get halfway through series three of The Sopranos and then discover that Coca-Cola have bought the rights to advertise on Tony's shirt, in Fortnite there's nothing odd about that at all. The users are still playing the same game: but now there's a new Coke-branded pair of sunglasses that your character can wear.

And, as ever, China is two steps ahead. The retail app JD.com allows users to play virtual games with the app itself. The points they acquire within these games can be redeemed against free shipping or discounts on real-world products. It's a laser-like focus on what people enjoy doing — what they're doing already, with or without you — and then finding a way to make them do that with you, to everyone's benefit. It's loyalty not just through offers and incentives, but through genuine interaction and an ongoing engagement loop.

Gaming, surely, has made the transition from hobby to all-encompassing, trend-defying meta-activity. We love to game, and smart brands and platforms are finding ways to cater for and feed that love in contexts and markets that have nothing to do with the traditional world of Call of Duty or World of Warcraft. They're making the process of buying (or the involvement post-purchase) entertaining in and of itself. If influencer shopping has democratised the QVC model, turning live selling into something aspirational, exciting and ubiquitous, then this is gamification of retail. **Whatever you're buying, a game can be a part of it.**

Chapter 7:

Six Quick Lessons For Brands

1 Know Thy Customer

Not a new lesson for any marketer, but more valuable now than it's ever been. There are so many places we can go now for entertainment, for information, for interaction. What are your customers doing? If they're not coming to your website, do you need to engage with them elsewhere? In a different way? **The user journey isn't linear:** it's a web, and brands should expect customers at every crossed thread.

2 Make It Rewarding

Many of the examples we've shared have shown how **entertainment — in whatever form — can contribute hugely to the success of a sales channel.** Whether you're harnessing the power of influencers to engage your customers; whether you're introducing game mechanics to make things more interesting: think of ways to reward and delight customers through the process, not just the purchase.

3 Nose to Tail selling

Celebrities can guarantee you great reach. Influencers can underpin that via the meaningful relationships they have with their audience. But Diesel Side: Biz and Storr, among others, show us that there's value in the long tail of people and their networks of friends and family. **Democratic selling is here to stay.**

4 Creativity can be the medium as well as the message

For decades, agencies have traded off “the idea” as being sacred to cutting through the noise. But the idea doesn’t necessarily need to be creative in and of itself. Nike’s success on WeChat shows us that creativity of **placement and positioning** can be as important as a brilliant strapline or Cannes-winning TV spot.

5 The water cooler moment is still with us

Streaming was supposed to have killed event television. Why should anyone care about a timed release when they can watch it as easily on catch-up? And yet Fortnite’s limited-time events show us that even the most fickle of audiences will submit to the hype of an exclusive, one-off moment. The trick is to place it in the **right context and be faithful to the medium.** If Ariana Grande’s Fortnite concert had been a standard piece of video, no one would have cared. The fact that it was delivered within the game world, that your own avatar could be a part of the crowd, made it work so spectacularly.

6 Simplify

Perhaps the most compelling piece of data in our research was this: that the top two factors driving new brand purchases last year were **availability and convenience.** When we want something, we want to obtain it easily and quickly. These platforms, these digital shopping experiences, are part of the social and digital structures that form such an important part of our lives. But if you want to sell in this way, you need to learn the lessons that Facebook and Amazon have taken to heart. Make it easy for the user. Make the process slick and simple. Friction is retail kryptonite. The more time it takes for me to do this, the more you frustrate me with your complex buying journey, the more likely I am to go to your competitors. They’re only a click away, after all.

About Good Rebels

We create digital experiences that connect brands and people. Agile solutions that touch people's hearts.

120+ Rebels in Spain, the UK and Mexico helping our clients become more human-centred. Strengthening relationships with their customers, employees and with society. Designers, strategists, creatives, community managers, UX experts, data analysts, programmers... bringing ideas to life.

Founded 20+ years ago, our company has transformed the marketing vision of brands like Toyota, IKEA, Santander, LG Electronics, Abbott Laboratories, H&M or Pepe Jeans.

Our services

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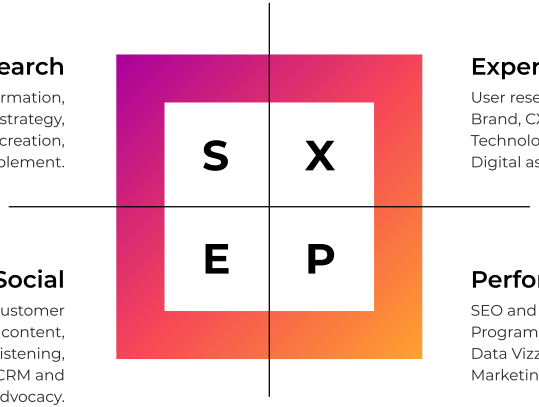
Research, Digital transformation, Martech and data strategy, Innovation and co-creation, Digital enablement.

Experience & Design

User research, Brand, CX and UX / UI Design, Technology development, Digital assets maintenance.



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Good Rebels is already working with a diverse, forward-thinking group of brands across the world to connect them more closely with their customers. If you'd like to hear more about our work, or discuss ways we can create new touchpoints and sales opportunities for your own brand, we're always available at hello@goodrebels.com.

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