Salmon
SHAPING FUTURE COMMERCE

20 for 20

Digital and ecommerce trends that you need to know about

Introduction

In a world of constant change, it can be hard to predict what's next.

Who would have thought that in 2017 we'd be looking into a future where the UK would BREXIT out of the European Union, where Trump would be entering the White House and where Toblerone had changed its distinctive triangular shaped chocolate.

In the digital and ecommerce world, disruption is ever-present. Technological development continues to outpace corporate strategy. Today's tech giants continue to make their play for the ownership of the customer, and brand equity has never been so easily diluted.

The ecommerce world may be increasingly volatile, but it's also increasingly data-driven. That makes it more democratic, because the customer now defines the agenda. The companies that most closely align to this agenda will come out on top.

Surely that can only be good? Well... it depends on who you are.

When you're facing a more turbulent future, it's easy to lose control. Brands must plan effectively, and they must start today. Salmon is already helping brands to identify the most significant trends in ecommerce and tech. And, in line with its mission statement 'Shaping Future Commerce', Salmon is ideally positioned to highlight the trends you need to know about.

Over the course of our 20 for 20 trends, we'll look at a combination of trends touching on experience, society, technology and competition. It's not an exhaustive list of course – but we think these 20 should be on your radar. We all know that preparation prevents pretty poor performance. So, take heed, and your brand will be in a strong ecommerce position.

Just make sure that you're ready for the future. It will be here sooner than you could ever have imagined.

Enjoy the ride,
Hugh

Hugh Fletcher
Global Head of Consultancy and Innovation, Salmon Ltd

01 | Zero UI – no longer at ground zero

As long as the internet has been available, we've accessed it through a screen; a desktop, laptop, phone, or tablet. But we now benefit from new ways to access digital information.

Personal assistants like Siri and Cortana have familiarised us with a voice interface to the internet. Amazon Echo, Google Assistant, and the imminent launch of Apple Home, will help us to become even more accustomed to it.

Voice control removes the need for a cumbersome, physical interface. It lets us slot digital services into our lives with less disruption, so we can augment our experience with digital, increasing rather than hindering our existing senses. This is Zero UI. And Zero UI is part of an even larger network of interfaces which will work together seamlessly – we call this "Omni-UI".

What does this mean for ecommerce, and for your business?

Most business ecommerce operations are carried out through responsive websites. These sites are designed to scale through desktop, tablet and mobile devices. When customers start to move away from these channels, how will your business adapt? For instance, how will fashion retailers sell clothes if customers want a Zero UI experience?

In addition, what will this new movement mean to your agencies, and the design community? Visual design skills will no longer suffice. There will be more emphasis on biology, psychology, and engineering, effectively ushering in the age of the super designer.

Finally, this new world will necessitate a review of back-end architecture, where personal data, the blockchain, IoT and organisations will work together to provide the best, most objective information via zero UI devices. Or to give it its name: Democratized Data E-Comm (DDEC).

The question is simple. Are you – and your agencies – prepared for the new age of Zero UI?

02 | Programmatic Commerce™ – automatic for the people

In the future, machines will re-order and replenish products on behalf of their owners, guided by pre-programmed parameters.

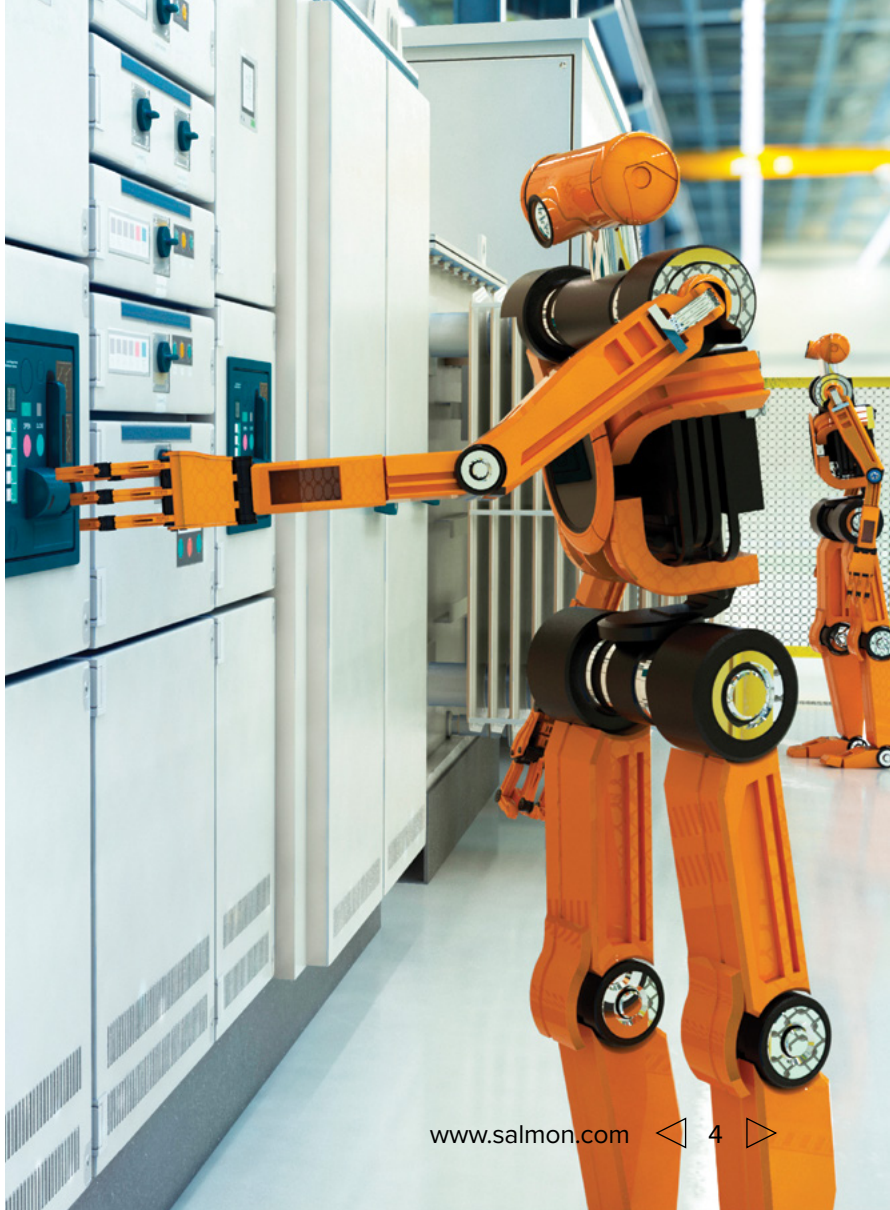
In practical terms, that means that your coffee machine will order your coffee capsules before you run out and your washing machine will monitor how much fabric conditioner you have, and balance that against your usage patterns to work out when best to automatically replenish your supplies.

Even your wine-rack could automatically order that Bordeaux you love, ensuring you always have a bottle ready and waiting on Friday night.

We're already taking the first steps to a programmatic future. Amazon's Dash buttons, and Nespresso's WiFi coffee machine are just a couple of real-world examples. Dollar Shave Club also inspired consumers and the business community – notably Unilever by way of a $1 billion deal – with its direct-to-consumer razor blade subscription business, an ideal introduction to a programmatic future.

How will Programmatic Commerce change the way brands, retailers, and customers interact? As both witness and guide to the nascent Programmatic Commerce phenomenon, Salmon sees this as one trend set to redefine retail for many from the ground up.

We've already established that over half of UK consumers (57% to be precise) will be ready for this new age of fully automated purchasing within 2 years. (You can read more here). And we sense a real opportunity here for retailers and brands to start forming partnerships with manufacturers to enable consumers to set up automated reordering through their connected devices. Failure to do so could be costly, with many brands locked out of the relationship with their consumers.



03 | Interface imperialism

Have you noticed that all the big tech companies seem to be diversifying their offers? Under their brand – and often, their digital platforms – they are consolidating and expanding a whole range of services. We call this trend Interface Imperialism – the consolidation of services under one interface.

Interface Imperialism explains some of the biggest advances in tech. Amazon has launched Echo, Facebook is investing in messaging, and Google is branching out into the connected home.

Multiple services allow tech giants to create a connected virtual ecosystem for customers. The ecosystem might include ways to talk with friends, control your home's heating, or make a purchase online.

Gartner refers to this as a 'digitally enhanced mesh'. It's all about owning the customer and their experience. If you own the interface, you own the customer. If you own the customer, you own the data. And if you own the data, you own the future.

We can see this strategy bearing fruit at Amazon already. It has diversified its own-label product offering to include groceries and baby products, and it's also diversified into streaming and content production.

Brands beware: Interface Imperialism could mean brands become one-step removed from the customer. It could mean that customers only buy your product through an interface owned by a third party company. You have no control over this, and the third party will probably offer myriad services to retain customers within their digital environments. This may erode your hard-fought brand equity, as customers become less loyal to brands, and more loyal to services. Amazon Prime is a good example of this phenomenon.

So what next for brands? Submission to the tech giants? A direct-to-consumer play? A fight back through marketplace development? Or the development of a more robust omnichannel strategy?

04 | Aggressive horizontality

Knowing your competition has always been a key strategic imperative for any successful business.

But in a world where organisations are looking outside of their core competencies for the next opportunity, it can be hard to know what the future competitor landscape will look like.

Companies like Uber have taken disruption to a whole new level. First, they ripped up the rulebook on taxi services. Then, they diversified into food delivery. This expansion is based on Uber's deep understanding of its core offering – the ability to aid transportation – be that people, or food, or anything else bought through ecommerce.

Many businesses are looking at their offerings in a different way in order to define and preserve their future. Organisations like Audi no longer simply manufacture cars. They see themselves as providers of premium mobility services. This keeps the brand relevant and authentic, while opening up new potential industries into which to expand.

What does this mean for ecommerce? Brands need to better understand the service – as well as the product – that they supply to their customers. We are fast entering a world of decreased brand loyalty and product commoditisation. Concentrating on the product alone is no longer enough.

Additionally, brands need to challenge themselves more. They need to behave like hungry start-ups to identify opportunities in their markets, and in others. If they don't, someone else will.

History is littered with failed brands that didn't innovate. Their history of success made them complacent, and they didn't listen to their customers. The future will be full of industry disruptors bringing a fresh approach. Don't leave your business open to aggressive horizontality.

05 | Integrated IoT – beyond the fridge

Perhaps the biggest disservice to the Internet of Things is the ubiquitous connected fridge. This rather uninspiring device has been the poster boy for a connected future for the last half-decade.

The reality of IoT is much less intrusive, and much more sophisticated. More and more devices are now connecting to the internet, and they're doing it in less obvious, much more beneficial ways.

Integration isn't just about services, but also about appearance. Think about the design of digital assistants like Google Home and Amazon's Echo Dot. They are specifically designed to blend into the home, creating virtual connections without encroaching on your home's design aesthetic.

Integrated IoT will challenge our view of connected hardware and devices, with many more objects performing this role. Take clothes for instance. The integration of technology will enable re-ordering, and monitoring of personal metrics.

That being said, many connected devices are still conspicuous in their design, promoting their connectivity and digital DNA in an overt way. The Apple Watch is a great example. But while some tech lovers have jumped on-board, many watch lovers have not. Why? To put it simply, the design and functionality aesthetic has taken a secondary seat to connectivity.

Clearly, the future of IoT is its seamless and invisible integration into hardware. Overt connectivity will become a thing of the past or the niche. Instead, we will see connected products and hardware that are integrated in a less discernible way.

As Joe Sparano is often quoted as saying, "Good design is obvious; great design is transparent".

06 | Product-less retail – watch this space

Despite the rise in the importance of online retailing, the route to retail success points to an omnichannel strategy.

But with customers valuing experience over sales, many retailers are looking into how physical destinations can promote their brand, without pushing product sales.

This has led to the phenomenon of product-less retail, where retailers use non-selling physical experiences to promote their brands. They hope that the brand-love generated will translate into sales in the future.

But can this really be called a 'new trend'? It's arguably what Disney has been doing for the best part of a century with its amusement parks.

Of course, most examples marry a more branded experience with the ability still to sell products. Some of the best examples of this are Lego and M&M's World stores.

Others have taken this concept to the extreme. Take the Ferrari World Amusement park in Abu Dhabi as an example. Ferrari's principle commercial imperative is the sale of cars. But the essence of the Ferrari brand has been distilled into an experience where building brand equity is the ultimate goal.

It's true that with modern technology and today's connected consumers, retailers have a chance to scale up sales while scaling down traditional retail elements that are no longer relevant – and this could be the product itself. Just make sure you continue to deliver your customers a great brand experience, so they get to engage the way they want and you build relationships that lead to higher revenue and customer loyalty.

07 | Self definition, equality and diversity

The current binary definitions of gender are under challenge. Generation Z and millennials are leading the way.

A recent US survey by JWT Innovation found that 56% of 13-20 year olds know someone who uses gender neutral pronouns, such as ‘they’, ‘them’, or ‘ze’.

The definition of masculinity is also under challenge in the UK. A 2016 YouGov poll found that just 2% of 18-24 year old men consider themselves as ‘completely masculine’, compared to 56% of men over 65.

Compare this with the way that many brands and retailers behave and segment. Take a look at most physical and online stores. The most prevalent segmentation is gender, and it permeates on a number of levels. Different genders are allocated different areas of the store, different products, and different creative designs. In fact, designs frequently go even further to establish the male/female divide.

Retailer strategy in the face of this change is still up for debate. In the future we may see more people shopping by style, or by body shape. And retailers will need to weigh this up for a new generation of shoppers. What would a clothes shop look like without a specified men’s and women’s section? How would showcasing the same clothes on both male and female models affect the operating model and profit of organisations? All of these questions need considering; you can read more here.

Whatever happens, the blurring and equalisation of gender will force all retailers to address core cultural issues, as well as operational ones. And this will have commercial consequences.

08 | The internet-infused adult is here

In 2017, the first Generation Z-ers will celebrate their 21st birthdays. This is a seminal moment. These will be the first adults weaned and developed on a diet of internet connectivity.

For brands, this is critically important. This generation's expectations have been honed by access to information, and moulded by spontaneous decision-making. They have been nurtured in a culture that is influenced by myriad sources, beyond the traditional circle of family and friends.

Generation Z's approach to brand communication is different, too. They have less faith in manufactured marketing messages, and brand loyalty is at an all time-low. Influencers that have been gleaned from user-generated content carry more sway than the might of big brands.

Brands whose authenticity is diluted in this UGC world are beginning to panic. They are trying to infiltrate these influencers, creating a whole new world of YouTube entrepreneurs and brand representatives.

But while Generation Z and millennials continue to fascinate the marketing industry, brands have a bigger challenge on their hands. How do you infuse the right digital and connected elements into the shopping experience along a spectrum of digital capability? If you concentrate too heavily on digital natives like Generation Z and millennials, you risk alienating Generation Y upwards, and this group has a larger spending capability.

Retailers need to figure out how to provide parallel shopping processes that allow the deconstruction of the search, choice and purchase phases into interchangeable digital and physical experiences. In other words, they must provide a digitally infused and seamless omnichannel experience.

Strategise for this and success beckons. Remain siloed, and you risk alienating your future customers or your existing ones.

09 | Digital Corporate Social Responsibility

Have we reached tech and connectivity saturation? Possibly. According to the US National Library of Medicine, the average attention span is now just 8 seconds.

Attention is often referred to as a scarce resource. Media companies, on behalf of brands, are trying to hack time and interactions. They're trying to achieve not just share of wallet, but share of headspace, too.

But this explosion has led to a backlash against the invasion of our personal digital space. Huge amounts of research indicate the negative impact of technology on the development of children, be that social, physical or psychological.

This saturation has given rise to an anti-connectivity movement which promotes non-digital downtime. Google WiFi, which launched in October 2016, provides a 'family pause' switch that shuts down the entire connection.

The rise of wellness initiatives and mindfulness also proves that the human race is trying to regain control. We have increasingly hectic and frenzied digital lives, and we are looking for time to breathe, in isolation from the digital onslaught.

Of course, it's important to remember the positive effects that connectivity has had on our lives. We've all benefitted from the dissemination of information, access to uncensored and timely news reporting, the development of hobbies, and the creation of virtual communities.

The challenge for brands and technology providers is to offer their services in a more controlled way. They need to provide more tempered experiences that acknowledge a customer's right to downtime, while still promoting themselves, acquiring new customers, and making commercial gain.

Are we about to enter the era of digital corporate societal responsibility (DSCR)?

10 | Loyalty to service, not brand

Ecommerce and purchasing is becoming more automated, be that via programmatic or subscription models.

We've also discussed the trend towards Interface Imperialism, where large tech companies and retailers – most notably Amazon – are seeking to consolidate offers and control the interface with the customer.

But what does this have to do with loyalty?

There is a high risk that the amalgamation of these trends result in a movement away from brand loyalty, and towards service loyalty.

Think about the success of Amazon Prime. It offers one day, no-cost delivery for a minimal consumer subscription, and has encouraged loyalty to Amazon via its efficient delivery service as well as its add-on services like content and film. Already, this is shifting buying behaviour. It encourages purchasing through Amazon, rather than through competitor sites or via direct interaction with the brands themselves.

Automated purchasing and replenishment via Programmatic Commerce will also result in the perception of the experience being heavily skewed towards the service, rather than the brand. That's because a purchase is automatically being re-fulfilled once the consumer has made their decision.

If this service is managed and delivered by brands, a degree of control can still be exerted. But if, as with Amazon, the experience is managed by a third party, then brands risk losing control over this part of the customer journey.

In any event, it's clear that there's a need for more investment into the full supply chain, from stock and order management, through dispatch and CRM, to delivery, and to follow-up. If consumers increasingly become loyal to service, then that service had better be loyalty-inspiring!

11 | Patience is not a virtue

‘Patience is a virtue’ is a proverbial phase that relates to the seven heavenly virtues. It’s been in use since the fifth century.

Does it sound old-fashioned now? Too right it does!

Today, online ordering and same day delivery are available almost everywhere. In fact, next day delivery is the norm. The connected world has bred consumers who take their trade elsewhere when they are forced to wait.

Since ecommerce began, the last mile has always been a costly element of the online purchase process. But customer expectations – which have been artificially influenced by Amazon’s delivery service – force organisations to think differently.

Fast fulfilment is not just about getting a driver to a customer. It’s about systems, inventory management, predictive purchase modelling, automated fulfilment, and lots more besides.

The organisations that will win are those that are prepared to invest in systems infrastructure to facilitate faster delivery. Maybe Amazon’s size and scale will always enable it to lead, but everyone needs to speed up. The days of waiting a few days for delivery are gone.

It’s important that faster delivery goes hand in hand with good delivery. The last mile is as important an element in the customer experience as any other. Better partners and more training will be essential to ensure that fast delivery is backed up by great client service.

So, if faster is always better than slower, then investment is required.

12 | The democratization of payment

Rumour has it that the Queen doesn't carry cash. But then, who does nowadays? And with so many advances in the payment and finance sector, the days of hard currency are numbered.

Think about payment in ecommerce. Although much of the work done around efficient user experience has focused on making customer experiences frictionless, one of the areas which still has the most friction is payment.

That's not to say that we haven't seen change, it's just that it's been in pockets and confined to those forward-thinking companies. Examples of payment innovations include Apple Pay, Amazon 1Click or PayPal. The greatest illustration of seamless payment is Uber, who addressed a key customer friction point that the rest of the taxi industry chose not to ignore. And they addressed it so well that it feels as though you haven't paid at all. Now pointing to the demise of the supermarket queue, Amazon has launched a grocery store without tills or barcode scanners. Way to go, Amazon Go.

Perhaps the biggest trend will be how payment becomes consistent across channels – whether you're in store, or online. This seems obvious when you think that we're all carrying around a mobile device capable of doing this in our pockets. So why then do so many retailers force us into different behaviours in different channels? Could it also spell the disappearance of the physical checkout?

Mobile "order ahead" will continue to blur the lines between online and offline commerce channels with organisations like Starbucks using this technique to reduce in-store queues and increase average order value. This interpretation of "Click and Collect" will continue to spread into more industries with BOPUIS (buy online pick up in-store) becoming the norm.

And the trend of digital wallet apps could now be replaced with a more integrated view of payment, where customer details and data are stored for access across multiple touch points. Some call this a "digital credential" enabling efficient and tracked payment leading to greater loyalty.

We're now entering an age of payment democratization, where customers will vote not with their feet, but with their digital currency. Brands and organisations need to ask themselves whether they are up-to-speed with the latest tech, and assess whether they are set up to quickly integrate new payment technologies.

13 | The digital service economy

The consumption of digital is our most obvious interaction with our connected future. But the real enabler is the systems and structures behind the scenes.

This digital plumbing is often dismissed as the boring back-end. But it's the enabler on which our digital futures must be built. The way this plumbing is planned and delivered is a vital element in future digital success.

These systems are increasingly important, and that has driven the rising trend for digitally and IT savvy CEOs. We're also seeing the creation of Chief Digital Officers, and the CIO is becoming increasingly prominent.

Traditionally called service orientated architecture (SOA), a service based approach to building capabilities is the only way to build digital capability. But what does it mean in English?

Too many organisations concentrate on digital destinations, the digital customer experience, and the new platforms available to them. Most of these destinations are based on information, data, and imagery. All of this needs to be sourced from systems.

Instead, organisations should shift some concentration to surfacing information, data, and access to their systems via services. This is normally done via the creation of application programming interfaces (APIs). Why? Because building a systems infrastructure with this capability enables organisations to re-use services across all destinations and platforms quickly and easily. Essentially, it's like a creating a multi-plug into which any devices can be plugged in.

Build the right services, and expose them to any front-end. With that approach, you create an agile, scalable, and future-proof digital foundation, upon which the digital future of your business can be built.

14 | Real-time customisation gets real

In order to boost conversions, getting to know customers is essential. Online, that can be challenging.

While retailers have invested in linking offline and online interaction, developing a personal relationship on a digital platform isn't always straightforward. Advancements in cognitive capability sure help – supporting better decisions operationally and enhancing personalisation in context (right message – right time).

Increasingly retailers are investigating in sophisticated tracking techniques to customise each person's experience in real-time.

We can look at Amazon for some great examples of real-time customisation in action. On its site, and in its apps, every shopper gets a personalised experience. Amazon measures habits and trends to promote related products, and target promotions based on our browsing habits.

Beyond that, real-time customisation is becoming more individualistic. Fashion retailers are recording each customer's measurements, ensuring that clothes that suit their figure are top of mind. Cosmetics brands are recording customers' unique characteristics, allowing them to browse the products that will suit their skin tone and lifestyle.

We know that consumers generally don't like to be 'followed'. But real-time customisation offers a new, transformative option. It uses a customer's data to serve them timely, accurate product information, rather than making them feel pressured to buy. It's like providing each customer with their own personal shopper, helping them to save time, and boosting conversions.

From store layouts, promotions, and email marketing through to loyalty schemes and coupons, real-time customisation is already proving its potential. The brands that will gain the most are the ones able to capitalise on the customer-retailer relationship, while fine-tuning the algorithms that serve up relevant content.

15 | Data gets big and clever through predictive analytics

Real-time customisation offers organisations the power of now. How about the future?

In an age of Big Data, retailers are sitting on terabytes of useful data that can be unlocked to inspire valuable insight about their customers' habits and preferences. With the right analytics, this data can be fed back into the buying cycle, and put to work to benefit both the brand and the consumer.

Predictive analytics is rapidly gaining traction with retailers. Its tools help accurately predict what each individual customer will do next. From buying and browsing patterns to product preferences, the insights are seriously powerful. Would you like to be able to predict your customers' next purchases? Of course you would.

Analytics of segmented groups lets us compare one with another. We can look at trending behaviours, predict bottlenecks, and proactively boost campaign engagement. We can look at what customers actually do, and use that to predict what they will buy next. That kind of insight allows an unprecedented level of strategic planning, and facilitates the creation of powerful behavioural models.

By anticipating consumer behaviour, smart brands are lifting conversions, capturing dropped carts, and making timely product recommendations. It's another step on the road of increased brand loyalty and powerful hyper-individualisation.

The more forward-thinking organisations are already using predictive analytics to provide a unique experience for each customer. These brands will literally predict the future, and foresee how the relationship they have with their customers will unfold. If you're not analysing your data for a future view, you might be waving goodbye to your future customer.

16 | Proactive peak formation

The last few years have seen a proliferation and explosion of new shopping and ecommerce peaks.

We've seen the inexorable expansion of Black Friday from the US to the UK, and Amazon's creation of Prime Day, as well as Singles Day in China. (Still no takers for a singles day in Europe? November 11th each year is the world's largest 24-hour online sale. In 2016, this day alone accounted for $17.8 billion in revenue).

These new events are formed proactively by retail organisations looking to make more sales. It's called proactive peak formation.

Historic sales events still exist, but the Boxing Day rush and January sales have been diluted by new events. And while Black Friday and Cyber Monday started out as two specific peak days, we're now seeing online traffic patterns create a broader spread across late November, bordering the Black Friday spike.

These events work because retailers have targeted customers with offers they want at times they want them, be that the pre-Christmas gift shopping spree, or a celebration of being single.

Think about that approach with regards to other industries. Are they really promoting and discounting products at the right time? Or are they clinging onto the shirt tales of history, or piggy-backing organisations like Amazon who have proactively created peaks for themselves?

Sure, the calendar can't accommodate every organisation creating its own peak, and only a few players have the scale and clout to effectively create and launch their own events. But there may be opportunities for other companies of the right size.

Alternatively, industries could begin to work together to sell their products at a time beneficial to both the company and themselves.

Whilst Black Friday still rules to roost, we – that's the Salmon peak operations centre – are seeing retailer sales promotions start in October, continuing right through from November and into the new year. More significantly we're sensing an opportunity for a spread of retail events and peaks across the year, in part influenced by peak periods in international markets.

Proactive peak formation should not just be the preserve of Alibaba or Amazon.

17 | The fall of the ecommerce illiterate CEO

It's impossible to imagine any CEO of a retail organisation admitting that they didn't understand retail and didn't know about sales. This type of dereliction of duty would be enough to see any CEO out on his or her ear.

In 2017, we are seeing the push of digital natives and the rise in online commerce. But in some quarters, it is still deemed acceptable for a CEO to plead ignorance when it comes to online and ecommerce.

But not for much longer. The age of the ecommerce illiterate CEO is over. About time too – with more than 2 out of 5 CEOs expecting their next competitive threat to come from outside their industry (according to IBM's "Reinventing the rules of engagement"). That means highly disruptive change, typically digital in nature.

CEOs who seek to thrive in 2017 and beyond must not simply empower their organisation to embrace digital and ecommerce. They must embrace and learn ecommerce for themselves.

This will force the CEO to engage more deeply with IT functions, viewing them not just as service providers, but as partners for the future. CEOs will need to learn the systems landscape in their organisation, and understand how this internal plumbing can be streamlined and optimised to win in the digital world. It will force them to review the interconnectivity between teams, and create an environment of digital horizontality.

The CEOs who are prepared to identify gaps in their ecommerce knowledge – and fill them – are the ones that will prosper in the near future. Those that hide in the boardroom risk two things: the end of their careers, and more worryingly, a grim future for their company.

18 | One giant leap for robotkind

Robots are not new, and the concept of humans being replaced by robotic servants is nothing revolutionary either. After all, it's the principle which underpinned the industrial revolution.

So why now are we suddenly seeing a rise in the prominence of robots?

This trend is being driven by the intersection of a number of initiatives: artificial intelligence (AI), improved voice recognition technology, facial recognition to interpret mood and sentiment, and advances in engineering. As all of these elements improve, we can expect an increased presence of robots.

"Pepper" is one of the most widely-known robots and already in use across a number of retail stores in Japan and America in customer service roles, with some success.

As robots become more human, and capable of carrying out tasks on our behalf, our emotional attachment increases and plays to our human desire to interact with another human; but augments this experience with the ability to process huge amounts of data.

For now, the robot may be little more than another interface. But there is one important difference. A robot is physical. Robots allow us to use the social skills we have developed as human beings. As Dr. Julie Carpenter from Washington University says, "Robots are tools, but they are tools that sometimes hold meaning for people that interact with them."

Brands take note: their arrival married to AI is set to disrupt retail economics.

Could your customer support centre do with an intelligent agent that not only provides consistently correct responses but expands its knowledge providing insight to the wider business, and speaks multiple languages without a single night's sleep? Or lunch? Or leave?

So, plug into the power of robots for they may well help to future-proof your business.

19 | Connected security – welcome to the global hackathon

In the digitally transformed world, we all benefit from interconnectivity. But as with most things, there's a downside.

More and more devices are coming online. Machines are learning about us and our habits. Our data is stored in centralised data repositories. The opportunities and gains from hacking and accessing this information become even greater. A security breach doesn't just result in the hassle of changing passwords. Instead, it could mean the complete disruption of our lives, from the irritating error messages – *my learning thermostat no longer learns,* to the sinister – *someone can track every move I've made based on all my data.*

We've already seen evidence of this, with North Korea hacking Sony, and the Russians accused of hacking the US election campaign.

The UK government now has unprecedented powers to store our data. Issues of national security arise too. Take autonomous cars. To achieve self-driving cars, a shared protocol between cars, road infrastructures and humans will be required. Think of the potential risk if this network could be hacked, controlled, or even crashed. This type of breach could deliver a huge terrorist atrocity, or bring a country to a standstill.

So what will we see as a consequence of these risks? Organisations need to invest in their data security teams, and train them to deal with new challenges. Simply installing antivirus software will no longer suffice. The potential for litigation from individuals will rise, as will the number of fines imposed by government bodies with data responsibility – and this could create casualties on a Lehman Brothers scale. There will also be the rise of start-ups acting as digital data bodyguards, protecting the data of their clients.

It's increasingly vital that companies keep up with the latest technologies. For instance, Blockchain, the technology that underpins the bitcoin currency, creates a secure digital record of every transaction. As such it's inspiring some retailers, notably the fine wine industry, fashion and luxury brands, as a means of verifying authenticity and controlling counterfeiting.

20 | Progressive web – ’appy days

The push for an “app strategy” from the corporate world has led to a saturation of the app stores, with apps becoming increasingly hard to find, promote and engage with.

Statistics also show that our interaction with them is not as widespread as some organisations have been led to believe. Instead, consumers engage with a small number of applications with high frequency – and most of these are based around messaging.

That being said, consumers’ high interaction with these apps has led to a degree of comfort with the UI and functionality of an application. As a result, what is deemed best practice in terms of customer experience online is changing. In other words, customer want an app-like experience once engaged, but want a web-like approach to finding, visiting and storing sites.

Cue progressive web. Quite simply it’s a website that acts like an app.

This trend is being driven by the advancement in browsers, improved ability to cache and changes to how push notifications can be managed through APIs. It means that progressive websites can be installed and behave like traditional native apps, but with some benefits for both developers and customers.

For customers, it makes the app more easy to find, and there is no download or taking up of storage space, For the developer, it is easier to deploy to and maintain, mainly due to the fact that multi-variations of the application do not have to interface with the APIs (known as backwards API compatibility) and, instead, everyone is using one instance of the app.

So does progressive web mean the end of the native app? No, but it does mean that organisations need to critically assess the likelihood of repeated usage of the app. If usage is sporadic, then progressive web could be the answer.

Salmon
SHAPING FUTURE COMMERCE

Salmon – shaping future commerce

With its inception in 1989, the year Tim Berners-Lee invented the World Wide Web, Salmon has digital in its DNA. With a constant watch on the trends defining and driving commerce, we've stayed true to our mantra of Shaping Future Commerce.

- We built the first £1m site in the UK, partnering Jungle
- With Argos, we helped revolutionise UK shopping with Click and Collect
- We developed the world's largest online grocery re-platform for Sainsbury's
- We created the world's biggest B2B platform for Premier Farnell
- And we're building some of the world's largest online stores across luxury, fashion and automotive right now

If any of our 20 trend snapshots have piqued your interest and you'd like more detail including the potential impacts, outcomes and recommendations for your organisation, contact us. We'd be delighted to help you.

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WPP Digital

About Salmon

Salmon is a global digital commerce consultancy – the biggest in WPP's network of companies – that defines and delivers market-changing solutions and customer journeys for the world's leading brands.

Established in 1989, with operations in London, Amsterdam, New Delhi, Beijing and Melbourne, Salmon clients include Argos, Asian Paints, Audi UK, DFS, Halfords, Jumbo, LloydsPharmacy, Premier Farnell, Sainsbury's, Selfridges and Sligro Food Group.